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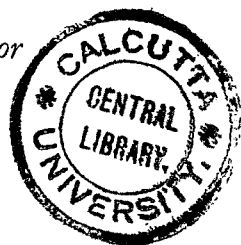
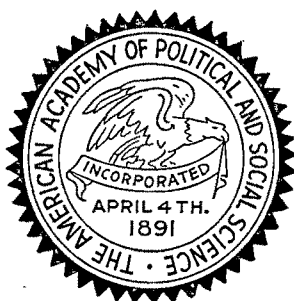
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THE SEARCH FOR NATIONAL SECURITY

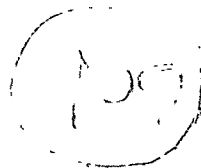
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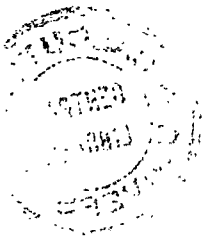
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The articles appearing in THE ANNALS are indexed in the *Readers' Guide to Periodical Literature* and the *Industrial Arts Index*.

FOREWORD

THE emergence of the United States from isolation has brought about drastic changes in American programs, both international and domestic. For more than a century and a half Americans sought to avoid the destructive wars of Europe. The policy was not fully successful, since this country was involved in three major wars of European origin, entering each, however, at a considerable period after the outbreak. During most of this long period the United States sought not only to keep out of European conflicts but to evade political relationships which were connected with the struggles of the major military powers. When the Franco-Prussian War began in 1870, this country refused an invitation to join with European neutrals to mediate the conflict. "It is not the policy of the United States," said Secretary of State Fish, "to act jointly with European powers in European questions." In 1870 rapidly rising Germany seemed to be no threat to American security. Except on a relatively few occasions of great crisis which created anxiety regarding national security, isolationism was part and parcel of American thinking. Usually freedom from the fear of great military danger made this doctrine possible and permitted the growth of domestic institutions of a liberal character, protected from the stress of intensive peacetime preparations for war as well as from the suspicions of hostile espionage.

Now, since the momentous transition from isolation to participation has taken place, one great disappointment must be admitted. The United States has come into a world in which the urge toward power politics is stronger than the will to achieve international organization. Many Americans who foresaw the end of isolation hoped and expected that, in a dawning era of reason, disputes between nations would be settled around a discussion table. The United States was to take a prominent part in the new machinery for peaceful settlement. The effort to utilize the United Nations as an instrumentality to avert world catastrophe should be pressed in every practicable way. The failure thus far to establish an effective system of organized security has, however, thrown the emphasis upon American national policies, and these have been projected into situations far beyond our borders. Apprehensions of danger have caused the United States to feel a vital interest in all quarters of the globe in which there exists the reality or the possibility of participation by Communist or Communist-controlled governments in a coalition organized and propagandized against this country. The attempt to attain national security under these conditions has brought about the development of new international and domestic policies, some of which are elaborated in this volume.

New international activities of the United States are primarily directed toward seeking friendship and support throughout the world. The instrumentalities of the American appeal are: (1) the communication of the democratic ideology and point of view of this country to peoples abroad through the information program of the Department of State, the agencies of military occupation, and other means, public and private; (2) the export of material assistance, including economic, technical, medical, and military aid; and (3) the presentation of American views and policies in the United Nations.

It is natural to expect that there will be difficulties and mistakes. A formerly isolated nation suddenly enters the battle for the opinion of the world. A highly

prosperous nation seeks to make its ideals known to the peoples of the globe, many of whom are impoverished and discontented. An appraisal of American efforts with regard to particular areas will show that, despite defeats, a good start has been made and much has been learned during this period of trial and error.

The effect on the internal American economy of confrontation by unfriendly powers is characterized by the spectacular development of economic mobilization for national security. Economic mobilization is a new subject that has not yet been woven into political and economic theory. To the citizen at large, it deals chiefly with unprecedented governmental expenditures, taxes, and efforts at economic stabilization. To those specifically engaged in economic mobilization tasks, the subject is concerned with such matters as the proper utilization of American manpower, the guidance of and aid to industry and agriculture, the channeling of materials, both domestically and internationally, and the economical employment of soil, mineral, and other resources for the national security effort.

What is the importance of these subjects for the future? If the problem of war cannot be solved, the activities described in this volume will doubtless increase. New political and economic organs will solidify into major national institutions to constitute a framework of political economy new in American history. Much of this will be unpleasant and contrary to tradition, but it is apparently inevitable—if peace fails.

BENJAMIN H. WILLIAMS

Truth as a Weapon of the Free World

By RICHARD L. BRECKER

IN an address to the American Society of Newspaper Editors on April 20, 1950, President Truman declared that it was necessary for us to "make ourselves heard round the world in a great campaign of truth." Calling attention to the vital importance of the psychological front in the present battle for world friendship, the President noted that the task of presenting the truth "to the millions who are uninformed or misinformed or unconvinced . . . is not separate and distinct from other elements of our foreign policy. It is as important as armed strength or economic aid. We must," he said, "pool our efforts with those of the other free peoples in a sustained, intensified program to promote the cause of freedom against the propaganda of slavery."

The use of propaganda as the Soviet Union's principal means of nonmilitary aggression has obliged the free nations of the world to take effective countermeasures on behalf of truth and freedom. As a result, propaganda has become a major weapon in the cold war arsenals on both sides of the Iron Curtain and, as such, a new and conscious arm of contemporary diplomacy. In the Soviet Union itself this development has reached the point where it is difficult to tell whether propaganda is being used as an instrument of diplomacy or, conversely, whether diplomacy is only an instrument of Soviet propaganda. In either case, it is significant that the Union of Soviet Socialist Republics is spending on this activity an estimated one and a half billion dollars annually—nearly twenty times what the United States is spending.

A key to the important new role of propaganda in world politics is the size and scope of the machinery which has been established by each of the major powers to implement it and to tie it in with the already existing machinery for conducting foreign relations.

SOVIET PROPAGANDA

The Soviet Union's inordinate use of propaganda today is grounded in the basic Leninist theory that the communist state rests on a balance of coercion and persuasion. The huge organization which has been created to carry out the second of these functions conveys its message domestically and to the rest of the world through a monopoly control of all mass media and a vast network of individuals acting as human transmitters.

Although the Soviet propaganda line varies from country to country to keep it attuned to prevailing local conditions, in general the main themes directed abroad differ little from those used within the U.S.S.R. Nearly all Soviet propaganda is directed specifically against the United States—distorting and ridiculing American life and institutions, playing up dissensions, depicting this country's leaders as debauched "warmongers" or "imperialists" carrying on their "nefarious" activities against the true wishes of the American people. By contrast, the Soviets brazenly portray themselves as the true exponents of "peace" and "democracy," the only protectors of the "oppressed masses."

Soviet propaganda is controlled by the *Agitprop* (Propaganda and Agitation Section of the Central Committee

of the Communist Party) and is believed to be under the direction of Politburo member Grigory Malenkov. Party directives are implemented with the assistance of the All-Union Committee on Radio Information, the Ministry of Cinematography, and the main censorship agency *Glavlit*.

To disseminate its message abroad, the U.S.S.R. uses the conventional media of mass communication as well as its diplomatic personnel and the propaganda organizations of the foreign Communist parties. It also relies heavily on the efforts of Soviet-dominated international organizations such as the Cominform, the World Federation of Trade Unions, the World Federation of Democratic Youth, the International Federation of Democratic Women, and the World Congress of Peace Partisans, which last year sponsored the so-called "Stockholm Peace Petition."

Radio, press, and film

Since 1917, when the cruiser *Aurora's* radio informed the world that the Bolsheviks had assumed power in Russia, radio has remained the chief means by which the Soviet leaders have sought to exploit their propaganda internationally. During the last five years the Soviets have more than doubled the number of hours devoted to international broadcasting. Using 46 medium and short-wave transmitters operating on a variety of frequencies and beams, the U.S.S.R. now broadcasts 658 program hours weekly in 38 languages. If there are added to this the 39 transmitters and 10 more languages pressed into the service of world Communism through the facilities of the satellite countries and Red China, the total represents more than the combined broadcast hours of the Voice of America and the British Broadcasting Corporation.

Soviet press propaganda for foreign consumption is carried on through a number of publications embracing a wide range of subjects and languages. The *New Times*, for example, deals with Soviet foreign policy, and is published in English, Polish, French, German, and Russian. *News*, the latest effort, is published only in English and purports to promote "closer understanding between the peoples of the Soviet Union and the Anglo-Saxon world."¹

The principal agency for the distribution of journals such as the *New Times* and *News* is the International Book Publishing Corporation, a semiautonomous branch of the Soviet Ministry of Foreign Trade, which maintains connections with sales outlets and has its own literary agents in twenty-nine foreign countries, including the United States.

Translations of major Communist works for sale abroad are chiefly the responsibility of the Moscow Foreign Language Publishing House. Many publications of the U.S.S.R. Academy of Sciences also appear in translation and frequently are used for propaganda purposes. In 1949 the Soviet press claimed that the academy maintained contact with 1,420 scientific institutions in 68 countries and exported 100,000 books.

The war-born *Sovinformburo*, a special information agency attached to the Council of Ministers of the U.S.S.R., continues to maintain branches in some foreign countries to furnish material for the local Communist press. In principle, however, Tass, the telegraphic agency of the Soviet Union, has a monopoly on collecting foreign news for relay to the U.S.S.R. and on supplying Soviet news to the foreign press. Although Tass has branches in most areas

¹ *News, A Fortnightly Searchlight on World Events*, No. 1 (July 15, 1951), p. 1.

of the world, except Latin America, it maintains its largest staff in this country, with nine Soviet and thirty American employees.

The official character of Tass is reflected in its use by the Soviet government as an agency for training Soviet diplomats and as a vehicle for the dissemination of official statements and denials. News bulletins issued to foreign correspondents in Moscow by the press department of the Soviet Ministry of Foreign Affairs bear the Tass imprint.

Since World War II the U.S.S.R. has made extensive use of films as a propaganda medium. *Sovexportfilm*, a branch of the Ministry of Cinematography, arranges for the distribution of its films abroad through sponsorship by Communist or Soviet-dominated organizations, agreements with nationalized film industries in satellite countries and with private firms in others, or by means of diplomatic showings in Soviet embassies or leased premises. In 1949, Soviet Minister of Cinematography Bolshakov claimed that Soviet films were seen annually by 400 million people outside the U.S.S.R.

These films have their widest circulation in the European satellite countries and in Communist China, where their popular appeal is reinforced by political pressure. Despite poor facilities, the Chinese Communist press claimed that in 1950 the Sino-Soviet Friendship Association showed Soviet films to two million people. This year the same society plans a campaign to show Soviet films by using fifty-four mobile units provided by the Soviet Union.

Cultural propaganda

Cultural propaganda also has been intensified by the U.S.S.R. since World War II. The All-Union Society for Cultural Relations Abroad (VOKS),

nominally a voluntary society comprising members of scientific, cultural, and governmental bodies interested in foreign cultural relations, maintains contacts abroad with the so-called Soviet Friendship Societies, exchanges books and publications with these societies, and arranges for conducted tours of the Soviet Union by politically sympathetic foreign visitors.

Another important manifestation of the U.S.S.R.'s cultural propaganda is the series of "Soviet friendship" celebrations held in the satellite countries. These include sports and youth festivals, such as the recent Youth Festival in Berlin, to which are sent large delegations from the Soviet Union and from other satellites.

The Soviet Union's propaganda machine is greatly supplemented by the rigid control which it exercises over the propaganda activities of the satellites and the Communist or Communist-dominated parties and organizations throughout the world. The Peking government alone, through its Chinese International Broadcasting Service, now broadcasts approximately thirteen hours a day in fourteen languages, primarily to Southeast Asia. *For a Lasting Peace*, *For a People's Democracy*, the biweekly journal of the Cominform (Communist Information Bureau), is issued in all the leading European languages and in Chinese and Korean as well. In Communist China it is estimated to have a circulation of from 50,000 to 70,000 copies.

The embassies

Because of the shroud of secrecy and subterfuge surrounding the activities of Soviet diplomatic establishments, it is not always possible to determine the organizational relationship existing between them and the local Tass representatives or the local Communist or-

ganizations. However, the evidence conclusively points to the fact that the Soviet Embassy is usually the headquarters for all Communist propaganda activity in its immediate area.

Soviet embassies, in addition to sponsoring local publications, frequently issue their own special bulletins. The Soviet Embassy in Washington regularly issues its *USSR Information Bulletin*, and the embassy in London publishes two bulletins, one thrice weekly, the other weekly. Similar bulletins are published in Paris, Mexico City, and Tehran.

THE CAMPAIGN OF TRUTH

To meet the challenge of Soviet propaganda, our own Campaign of Truth is becoming an increasingly militant and versatile instrument of American foreign policy. At the risk of oversimplification, its four chief objectives today are: (1) exposing to the world at large the reactionary, vicious, and spurious nature of Soviet Communism; (2) building, behind the Iron Curtain, psychological obstacles to further Communist aggression; (3) creating among the free nations the spirit of unity, confidence, and determination necessary to deter possible aggression; and (4) inculcating on other peoples a readiness and desire to co-operate with the United States by showing this country as a resolute and morally honest nation sharing their interests and possessing a physical strength on which they can count.

Operating under the authority of the International Information and Educational Exchange Act of 1948, the Campaign of Truth, or USIE (United States International Information and Educational Exchange) program as it is otherwise known, represents about a third of the State Department's annual expenditures and comprises more than a third

of the personnel of the Department and the Foreign Service. On August 1, the USIE program was carrying on its rolls 7,632 employees, including 844 Americans and over 4,000 non-American local employees working overseas. Directed by Assistant Secretary of State for Public Affairs Edward W. Barrett, the program is conducted as an integral element of foreign policy, working hand in hand with economic, military, and political measures.

Two major types of activity are carried on: informational, consisting of the dissemination of information through radio, press, and motion pictures; and educational, pursued through the exchange of persons between the United States and other countries and the maintenance of 146 information and 31 binational centers in 73 foreign countries.

Radio

Since radio is practically the only means of penetrating the Iron Curtain, considerable importance is attached to the Voice of America, which broadcasts around the clock from thirty-eight powerful short-wave transmitters in the United States and seven strategically located short- and medium-wave relay bases overseas. Plans are being laid to increase substantially the number of these relay bases, forming a powerful "ring" around the entire Soviet periphery and ensuring thereby an effective radio signal despite the intense efforts of the Soviets to jam out all foreign broadcasts.

Over a hundred different programs of the Voice of America go out over the air waves daily in forty-six languages, including English. Since February, broadcasts have been inaugurated in a number of languages spoken by minority groups in the U.S.S.R., such as Azerbaijani, Georgian, Tartar, and Turke-

stani. The aim of these broadcasts is not to split up the Soviet state, but to exploit, through propaganda, existing schisms between the Soviet peoples and the Kremlin. Other broadcasts, also initiated recently, are directed to the peoples of southern Asia in Indonesian, Hindustani, Urdu, Burmese, Malay, Thai, and Vietnamese.

In addition to its own transmitters, the Voice leases short- and medium-wave facilities from the British Broadcasting Corporation and Radio Ceylon. Selections of Voice of America programs are also rebroadcast in medium-wave by 120 stations in western Europe, more than 100 stations in Latin America, and numerous stations in other parts of the world. These short- and medium-wave broadcasts are supplemented by transcribed programs and special features prepared for placement with local radio stations by American Public Affairs Officers abroad. VOA program schedules in eleven languages are sent every two months to nearly a million listeners throughout the world.

Press

Another major Campaign of Truth activity involves the distribution by American Information Officers of news, feature, and visual materials supplied by the State Department or printed locally. These materials, including press bulletins, feature articles, technical and scientific newsletters, photographs, booklets, magazines, and other types of publications, reach an estimated 10,000 foreign newspapers and periodicals, about 75,000 government officials and foreign leaders, and countless others whose voices are pervasive in molding public opinion.

The daily wireless bulletin, for example, is transmitted overseas six days a week by Morse or radio teletype in five separate editions running approxi-

mately 9,000 words each. Containing for the most part news about official United States government actions and pronouncements, the bulletin is monitored by some seventy United States Foreign Service establishments, where it is translated immediately and distributed to the local press and other interested parties. The combined circulation of newspapers and periodicals receiving the wireless bulletin and other press materials totals about 90,000,000.

USIE's Russian-language magazine *Amerika* is the only American publication still permitted to be distributed in the Soviet Union. Containing no controversial or political material, it is distributed through Soviet government channels and is officially censored before appearing on the newsstands. In recent months *Amerika* has been subject to increasing attacks by the Soviet press and radio, and the Soviet distributor has dolefully reported a substantial drop in circulation.

An Arabic edition of *Amerika* is issued quarterly, and the first issue of a Yugoslav edition will be published shortly. Another pictorial magazine, the *Free World*, will soon be available in nine languages for the countries of southern Asia.

Of the nearly 200,000,000 pamphlets, booklets, posters, and other displays produced annually by USIE, a large proportion are now being processed in the field, close to the scene of use. A regional production center established this year at Manila is capable of turning out more than a million impressions daily. United States missions in a number of other countries also produce materials locally through contractual arrangements with local printers. A particular effort is made to enlist the support and co-operation of native organizations willing to publish or distribute USIE-provided materials under their

own auspices. Many millions of booklets, leaflets, and posters have been handled on this "neighbor to neighbor" basis during the past year.

Films

USIE documentary motion pictures covering a wide variety of subjects and sound-tracked in forty foreign languages are shown on a global basis through theatrical distribution, loans to local organizations, and community screenings by American films officers. Film libraries containing up to 600 titles are maintained by 150 American Foreign Service posts in 85 countries. Rural showings are made possible through the use of 300 or more specially constructed mobile units equipped with built-in electric generators and loud-speakers.

Each week these films are seen by a world-wide audience totaling more than 4,000,000 persons. In Italy alone, over 350,000 people are reached weekly, and in the countries of the Far East and southern Asia single audiences of 12,000 are not considered unusual. The governments of Turkey, Egypt, Greece, India, and Pakistan now use USIE films in their own educational programs, and otherwise assist in their local distribution.

The films themselves are produced by the State Department's Motion Picture Division or acquired from other government agencies, private sources, or the motion picture industry. Original production of certain films also is being undertaken abroad, using local recording and laboratory facilities and, insofar as possible, local writers and directors.

Educational activities

In the educational field, the United States government annually sponsors the exchange with other countries of some 7,500 leaders, specialists, teachers,

lecturers, students, trainees, and other cultural or professional representatives. During the year ending in June 1951, nearly 1,400 German and Austrian university and teen-age students received grants enabling them to live for a year with American families while attending colleges and high schools in this country. The government also assists in exchanges arranged through private institutions and groups or under the programs of foreign governments. Grants are made to a number of American schools abroad enabling them to become demonstration centers for American educational theory and methods.

Through its information and binational centers, the United States government maintains strategically located focal points for its information and educational activities abroad. Libraries maintained at each of the centers contain an average of 5,000 books, periodicals, government publications, and other reading and reference materials. Film showings, lectures, exhibits, discussion groups, musical hours, extension courses, and English classes are among the regular programs conducted at the centers by American Cultural Officers and professional librarians. While the information centers are entirely financed and operated under the USIE program, the thirty-one binational centers, chiefly in Latin America, are joint enterprises usually generated by local citizens and resident Americans, and are largely self-supporting. United States government assistance is rendered through the furnishing of English teachers and administrative personnel, occasional financial grants, and materials for use in conjunction with the various activities conducted by the centers.

A far-reaching translation program makes available in foreign languages translations of commercially produced American books in many different sub-

ject fields. The State Department obtains foreign rights to these books and transfers them to foreign publishers, offering financial assistance where necessary to cover losses.

Organization

All USIE offices overseas are operated as integral elements of American diplomatic and consular establishments. Of 269 such missions maintained by the United States, 156 now perform USIE functions in addition to their other responsibilities. Another 9 USIE branch offices fall under the respective jurisdiction of the closest Foreign Service post.

USIE personnel serving abroad are members of the American Foreign Service, and key officers often hold diplomatic rank. In recent years a number of USIE officers have entered the career diplomatic service, and there are at present a number of career officers holding important USIE assignments.

In addition to their regular work, USIE officers serve as press attachés for the ambassador or principal officer at the mission and assist in the drafting of statements or speeches to be released or delivered publicly.

In the State Department itself, the closest co-ordination is maintained between the Public Affairs area, responsible for the USIE program, and the so-called "political desks." The Assistant Secretary for Public Affairs serves as adviser to the Secretary on all public affairs matters and participates directly in the formulation and development of foreign policy. Special public affairs staffs are attached to the Department's five geographic bureaus, each of which is under an Assistant Secretary of State.

Considerable support is given to the Campaign of Truth by American industry and by many private American organizations and individuals. Co-operation in the form of institutional ad-

vertising abroad, letter-writing campaigns, town affiliations,² and donations of books and other materials is actively encouraged by the State Department. Special advisory panels of prominent citizens in the fields of business, radio, press, and motion pictures are convoked periodically to make available to the Department the benefits of their cumulative professional experience.

THE BRITISH APPROACH

The activities of the British in the field of international persuasion are not unlike those of this country. To a large extent they also strive towards similar objectives. Responsibility for them is divided among three organizations: the British Council, the British Broadcasting Corporation, and the British Information Services. The last is backstopped by the Central Office of Information, which, in addition to its domestic output, provides publications and other services aimed at supporting BIS operations abroad.

The British Council, created in 1934, receives most of its funds from a parliamentary grant-in-aid carried in the budget of the Foreign Office, which supervises its work, although no attempt is made by the government to impose its authority on the council or to force it to propagate partisan political doctrines. At the end of last year the council maintained overseas 56 British Institutes and 76 libraries. Activities in-

² "Town affiliations" refers to the program for affiliations between cities and towns in this country and similar cities and towns overseas. Originally a relief activity after the war, this program has now become one for the exchange of information and cultural activities of all sorts. For example, there is such an affiliation between Tucson, Arizona and Trikala, Greece. Another is between Chester, New Jersey and Kumrovec, Yugoslavia. At present there are 128 actively affiliated towns in the United States.

cluded exhibitions, distribution of books, films, and pictures, English teaching, exchanges of students and teachers, lectures and concerts, and tours of the United Kingdom by prominent foreign guests. To run these various programs the council had a staff of approximately 1,500 persons, of whom some 600 were employed abroad.

The international broadcasting activities of the BBC fall into two main categories: the General Overseas Service, designed mainly for British communities overseas, and programs directed to foreign countries. The latter are broadcast in forty-four languages including English. Short- and medium-wave broadcasts are supplemented by a transcription service and by an intensive publications program. The weekly *Radio Times*, for example, sells over eight million copies throughout the world and brings in a large advertising revenue.

Until this year the BBC was the leading international broadcaster, but the great increase in broadcasting activities by the Soviet Union and the satellites has now relegated it to second place. Nevertheless, the BBC is broadcasting overseas today some 547 program hours weekly, compared with an estimated 1,116 hours by the Communists and 321 by the Voice of America.

Although the BBC is subject to some official control because it operates from government grants-in-aid, formulation of policy is the responsibility of the corporation and the Secretary of State for Commonwealth Relations. The countries to which broadcasts are to be beamed and the program content are determined in consultation with the relevant government departments, including the Foreign Office. While there is no direct program collaboration between the BBC and the Voice of America, the former's facilities are made available to the VOA on a contractual basis. To-

gether the two represent a powerful radio onslaught against the Soviet Union's electronic curtain.

The British Information Services was established by the Ministry of Information in 1942 and became a responsibility of the Foreign Office in 1946. As with USIE, British Information Services units form an integral part of the diplomatic missions to which they are attached. Senior BIS officers frequently hold diplomatic rank, and today many are career officers of the Foreign Service rotating among diplomatic, commercial, and information assignments.

Many of the functions of a typical BIS field operation are similar to those of a typical USIE office. News and feature materials are distributed to government officials and to the press; economic information is provided on request; documentary films are screened and made available on loan; exhibits, lectures, and concerts are sponsored locally; and a library is maintained for reading and reference. Additionally, BIS officers represent the Chief of Mission on all press matters and maintain the day-to-day contacts with local representatives of the press and the radio. They also serve as local representatives and correspondents for the BBC.

Although operations of the British Information Services have been severely curtailed by recent economy drives, they are still fairly extensive, as indicated by the scope of activity in the United States. Last year the BIS maintained independent offices in New York, Chicago, San Francisco, and Washington, and had branch offices in the consulates general in Los Angeles, Detroit, Boston, Seattle, and Houston, and in the embassy in Washington.

PROPAGANDA ACTIVITIES OF OTHER COUNTRIES

While the most comprehensive information (or propaganda) programs are

those of the U.S.S.R., the United Kingdom, and the United States, nearly all countries now carry on some activity of this nature. The French, as in the past, lean heavily on the cultural side, maintaining abroad a number of French Institutes where the French language is taught and French culture and literature are studied. The exchange-of-persons program receives considerable emphasis, as demonstrated by the fact that some nine thousand Germans came to France under its auspices during 1950. The French broadcasting network (*Radiodiffusion Française*) broadcasts approximately 264 hours a week of programs for external consumption. Although educational and cultural activities are separated from propaganda and informational activities on the operational level, both are the responsibility of the *Ministère des Affaires Étrangères* and are directed abroad by cultural, information, or press attachés at French diplomatic posts.

Even a country as economy-minded as India is able to broadcast to foreign listeners each week 163 hours of radio programs in 17 languages and to maintain information or cultural attachés at most of its key embassies abroad. Spain, too, through its active and officially sponsored *Hispanidad* program, seeks to remind Spanish-speaking peoples abroad, especially those in Latin America, of their cultural and spiritual affinity with the motherland.

EVALUATION OF THE PROPAGANDA EFFORT

The comparative effectiveness of the propaganda or information programs carried on by the major powers is difficult to measure. Propaganda is so thoroughly fused with other forces at work in the shaping of mass attitudes that its results as an independent factor cannot be readily evaluated. The extent to which it is supported by fact

and deed, the predispositions of its audiences, the degree to which it is throttled or counteracted—these are among the external influences which determine the capacity of propaganda to intensify, neutralize, or reverse existing attitudes.

Then, too, propaganda cannot operate independent of a policy threshold. As one writer put it:

Policy is both the gun mount and the missile; propaganda the propelling element. It can prepare the way for substantive national policy, can assist in the qualitative formulation and statement of policy to insure an understanding reception, can act to ameliorate the intellectual climate in which political policy is enunciated and has to act; but in the final effectiveness, propaganda must have substantial purposes to work on.³

The effectiveness of propaganda is further contingent upon the skill with which it is conducted. This means use of the proper media at the proper time and place, and the competency with which the propaganda message is adapted to the values, sympathies, and expectations of its audience. Finally, the effectiveness of propaganda is heavily dependent upon the amount of intrinsic truth which it contains.

Any propaganda to be successful must have some amount of truth as its basis. Hitler recognized this in formulating his concept of the "big lie," and Soviet propagandists have faithfully followed this Hitlerian principle in their "hate America" campaign. Distortion of the American Negro problem is a favorite Communist theme, based, as it is, on a "germ of truth."

But the long-run effectiveness of propaganda seems to vary in proportion to its degree of acceptability and

³ Ralph Block, *Propaganda as an Instrument of Foreign Policy*, Department of State Bulletin, Vol. XXII, No. 572 (June 19, 1950), p. 989.

credibility. Soviet "hate" propaganda owes what success it has had within the U.S.S.R. and the satellites largely to the coercion which reinforces it and the monopoly control which it exercises over all channels of communication. Despite this control, Soviet leaders find it necessary to intensify their internal propaganda barrage with an ever increasing tempo and to take more and more drastic steps to quarantine the Soviet and satellite peoples from any potential sources of outside information. American scientists who have studied the problem estimate that the U.S.S.R. is now employing over a thousand transmitters and between five thousand and ten thousand men in its colossal effort to jam out Voice of America and BBC broadcasts. The Polish government's closing of the United States Information Center in Warsaw on August 8 marked the last step in the Soviet campaign to rid itself of all vestiges of American influence behind the Iron Curtain.

The success or failure of Soviet propaganda within the U.S.S.R. and the satellites is, therefore, almost wholly dependent upon the degree to which it is able to exclude the counterbalance of objective fact. Since they are unwilling to present full evidence as a basis for rational judgment, Communist propagandists seek to inculcate belief by securing emotional rather than rational acceptance. The chief obstacles to this kind of automatic conditioning are the oppressive social, political, and economic measures which accompany it, the obvious contrasts between actualities and the "official versions" of events, and, especially in the satellites, remembrance of the past. Each of these provides rich soil for the propaganda message of the free world.

In other parts of the world where Soviet propaganda comes into direct conflict with the propaganda of truth, its impact varies according to such factors

as the existence of conditions which might dispose an audience to believe the Soviet message (social injustices or economic hardships), the volume and intensity of the propaganda itself, or the presence or absence of a well-informed public opinion able to distinguish fact from fiction. Soviet propaganda has undoubtedly been most effective in the colonial or formerly colonial areas where recent history has predisposed the population to suspect the motives of the English-speaking and western European powers.

Encouraging indications

But despite these factors affording Soviet propaganda an opportunity to plant its seeds of calumny even on this side of the Iron Curtain, the efforts of the free world to meet this challenge head on and to take up the cudgel with a vigorous propaganda campaign of its own already have begun to show results and to prove that man, given the choice, is essentially a devotee of truth.

There has been mounting evidence from behind the Iron Curtain of widespread listening to the Voice of America and the BBC. In the satellite states it is estimated that 80 per cent of the radio owners are reached daily, and, with the assistance of a well-developed grapevine, it is now possible to deliver an important message to practically the entire population within a matter of hours. The increasing number of attacks on the Voice of America by the Soviet radio and press is another indication of the growing apprehension with which the Soviet leaders view the impact of truth on their fortress of deceit.

In western Europe the Communist parties have shown a steady decline in strength during recent years. Many thousands of letters pouring into the Voice of America's New York offices each month offer substantial proof that

the message of truth is helping, along with renewed economic and military strength, to rip off the veil of Communist misrepresentation and to build up the faith and confidence necessary to destroy, once and for all, the germs of hatred implanted by Soviet propaganda.

Our own propaganda, on the other hand, must continue to derive its real strength from truth and example if it is to remain effective. In the words of Secretary Acheson, "It is a fundamental

part of our democratic faith that people, if informed of the truth, will make sound judgments." But, adds Mr. Acheson, "what is even more important than what we say to the world is how we conduct ourselves at home and abroad. The force of example and action is the factor which finally determines what our influence is to be."⁴

⁴ Address by the Secretary of State to the National Council of Churches of Christ, Washington, November 29, 1950.

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American Influence on the Attitudes of Western Europe

By ELMER D. GRAPER

THE defeat of the Hitler Reich in 1945 after six years of war left not only defeated Germany but a large part of the rest of Europe facing unprecedented problems of reconstruction. Cities by the score in Germany, France, the Low Countries, and Italy had been reduced to rubble; intricate transportation systems had suffered almost complete disruption; industrial establishments had been destroyed; and agricultural production had dropped to the lowest level in years.

But the physical destruction of war was not the worst feature of the scene. The demoralization of the people presented an even more discouraging aspect. Millions were hungry and homeless, and the bitter passions aroused by war, deportations, concentration camps, foreign occupation, and treason were so intense that many observers thought that western Europe lacked not only the ability but perhaps even the desire to survive, to say nothing of the energy required for undertaking the stupendous tasks of restoration and reconstruction.

But in spite of the widespread physical and emotional exhaustion there did shine through the darkness a glimmer of hope caused by the belief that the total defeat of German aggression would perhaps usher in a long period of peace. This hope was based on the fact that the victors, even including the Soviet Union, had worked together, even though reluctantly, during the war years and had already taken the first steps toward the establishment of the United Nations for the prevention of future conflicts. There had been, it is true, plenty of warnings even during the

war years which indicated that Soviet expansionist ambitions both in the East and in the West might threaten the peace, but these went unheeded in the strenuous effort to win the war.

That the task of European reconstruction would have been long and difficult even with Soviet co-operation is obvious. That it has been as largely successful as it has been, in the face of persistent and bitter Soviet hostility, is little less than miraculous. For this accomplishment no small part of the credit belongs to the United States.

U. S. ECONOMIC AID

At the close of the war there was more than a little evidence to indicate that the United States might again, as in 1919, withdraw from European affairs. The lend-lease program was quickly terminated, and the popular demand for the demobilization of our armed forces proved politically irresistible. Within a period of eighteen months American armed forces were reduced from nearly 12 million to 1.5 million.

But participation in two world wars had left its impression upon public opinion in the United States, and it soon became evident that the public was prepared to continue participation in world affairs in time of peace as well as in time of war; for in less than two years following the cessation of fighting, in addition to the contributions of individuals, the government furnished in grants and loans something over 10 billion dollars in aid to western Europe.¹

¹ *Outline of European Recovery Program*, submitted by the Department of State for the

Although this aid was effective in temporarily staving off starvation and in helping to restore transportation facilities and other essential services including agriculture, by the summer of 1947 it had become evident that aid on a far more extensive scale would be necessary if the shattered economy of Europe was to be set on its way to self-sufficiency and the healthy activity necessary to world recovery. The war and its political aftermath had completely disrupted the former system of international trade between the Western Hemisphere, western Europe, and the Far East, and Europe lacked the dollars necessary to restore its productive plant.

Marshall plan

It was this desperate situation which in June 1947 led Secretary of State Marshall in his famous address at Harvard University to suggest that the United States would take additional measures to provide needed aid but only after the European states had come to some agreement relative to their respective requirements and the steps they would individually and collectively take to co-operate in economic recovery.²

This suggestion of Secretary Marshall evoked an immediate response from the Foreign Ministers of Great Britain and France who invited the Foreign Minister of the Union of Soviet Socialist Republics to confer with them at Paris.

use of the Senate Foreign Relations Committee, December 19, 1947, p. 25; also *Report of the Senate Foreign Relations Committee*, 80th Congress, 2nd Session, Report No. 935.

² See *Outline of European Recovery Program*, p. 30. Shortly after Secretary Marshall's address, the President created three committees, headed, respectively, by the Secretaries of Commerce and of the Interior and the chairman of the Council of Economic Advisors, to study the effects of further foreign aid on the domestic economy. All these committees reported that a foreign aid program would be feasible and would not unduly injure the domestic economy.

It soon became evident that the Soviet Union was unwilling to co-operate in a common program, and after a few sessions Mr. Molotov left the meeting and forbade the Russian satellites, greatly to the distress of some of them, to participate in the proposed program. From that moment on, it has been one of the Soviet's major objectives to prevent the successful execution of the recovery program. Sixteen countries³ participated in the Paris Conference and on September 22 submitted their report to the Secretary of State.⁴

The Committee of European Economic Co-operation in its response to Secretary Marshall's suggestion pledged the sixteen countries to exert their best efforts: to develop their productive capacity to the highest level by modernizing their productive equipment and creating full employment; to promote their internal financial stability; to co-operate with each other for the reduction of trade barriers and in general to counteract as far as possible the prevailing system of economic nationalism.

This new program for European recovery and the President's earlier announcement in March 1947 of the Truman Doctrine indicated a profound change in the foreign policy of the United States. This change was brought about by the realization that the Soviet Union, far from being willing to aid in the reconstruction and stabilization of Europe, was interested chiefly in preventing it and in promoting the eco-

³ Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom.

⁴ On the same date, the Communists of nine countries under Soviet Union leadership were re-establishing the Communist International dissolved in 1943. The manifesto issued by the Cominform placed the United States at the head of "imperialistic and anti-democratic forces," and called the Marshall plan the European branch of our world-wide expansionist program.

conomic confusion in which Communist infiltration and political subversion are most likely to succeed.

The extent to which our own investigations and those of the CEEC had convinced the government of the United States of the necessity of further American aid to Europe is indicated by the fact that the Congress under the vigorous and inspiring leadership of Senator Vandenberg responded to the administration's proposals and endorsed the Marshall plan. The Senate Foreign Relations Committee held hearings during January and February of 1948 and on February 26 submitted a unanimous report favorable to the program which provided for the participation of the United States for a four-year period ending June 30, 1952, during which from 12 to 14 billion United States dollars were to be made available for European recovery.

Significance of ECA

The Economic Cooperation Act of April 3, 1948 transformed the Marshall plan into an actuality. It authorized the appropriation of 5.3 billions for the first year and provided for the appointment of an administrator with ample powers to carry the act into execution. The President appointed Paul G. Hoffman as administrator of the Economic Cooperation Administration, and an effective organization was speedily set up both in Washington and in various European capitals.

In the two years following the inauguration of the ECA, through the aid supplied by the United States, and the co-operation of European countries encouraged by this aid, western Europe made substantial progress. Early in 1951 Mr. Hoffman estimated that western European industrial production would be 40 per cent above prewar levels.⁵ The

⁵ Paul G. Hoffman, *Peace Can Be Won*, pp. 89 ff.

ECA predicted that agricultural production for the 1950-51 year would be 9 per cent above that of 1938. Even in western Germany industrial production was up to 97 per cent of 1938.⁶

The ECA program from its inception was not designed primarily as a relief measure. Its long-range purpose was to enable Europe to help itself. It was clearly recognized from the beginning that only a sound European economy could make life more bearable for its teeming millions and supply the economic foundation for effective resistance, both moral and military, to threatened Russian aggression.

The ECA program indicates how the exigencies of the cold war induced the United States to go far in undertaking the responsibilities of world leadership in the economic sphere. We had at last come to the full realization that our own economic welfare depended upon that of the rest of the free world.

An even more significant departure from our old isolationist policy was taken in 1949 when President Truman submitted the North Atlantic Treaty for Senate approval. This treaty which went into effect in June of that year commits the United States to a defensive alliance with the Western Union nations, Canada, and several others for collective defense and security. This was in line with the Vandenberg resolution of 1948 authorizing defense arrangements in harmony with the United Nations Charter. The ratification of the North Atlantic Treaty, the steps taken to implement it through military aid, and the appointment of General Eisenhower as supreme commander of the North Atlantic forces have gone far to dispel a widespread fear that the United States would again withdraw and let Europe fight its own battles.

Throughout the period of United

⁶ *Tenth Report to Congress of the ECA*, pp. 7-14.

States aid to Europe it has been one of the aims of our foreign policy to promote the economic and political integration of the European states. This is clearly stated in the Economic Cooperation Act. The problem of organizing Europe economically and politically is one of great difficulty. Although some progress has been made through the creation of the Organization for European Economic Cooperation (OEEC), the North Atlantic Treaty, and the Council of Europe, and although some trade barriers have been lowered, western Europe cannot at present be expected to act as an economic and political unit except under direct necessity. Even the Benelux economic union has presented almost insuperable difficulties. Although European integration is advocated as the ideal of many Europeans as well as of Americans, it is probable that if it is accomplished at all it will be accomplished piecemeal through the adoption of particular projects such as are envisioned by the Schuman plan. If this proves successful in a limited area, a precedent will have been established for further action. It is probably unwise for the United States to press this matter rapidly.

SOME EUROPEAN DOUBTS REGARDING U. S. LEADERSHIP

A question often raised in the United States, one which has given political leaders much concern, relates to the attitude of the peoples of Europe toward the United States policy with respect to economic aid and rearmament. Do Europeans accept our leadership? Do they believe that our efforts in Europe's behalf are directed toward the preservation of independent, prosperous, and democratically governed states, or do they think that the real motive behind our policy is a desire to dominate and exploit them, as is so persistently proclaimed by spokesmen of the Soviet Un-

ion and its followers throughout Europe?

No clear and conclusive answer can be given to such questions. Since there are large Communist minorities in all the Western countries, it is obvious that these fanatical groups are bitterly hostile to the United States and that they consistently and skillfully misrepresent our motives. To these elements the United States represents the embodiment of "capitalism, imperialism, and militarism," intent on subjecting the "peace-loving popular democracies" in the Soviet camp to ruthless exploitation. From every Communist platform the clichés of Vyshinsky and Malik are incessantly repeated. It is probably impossible for us to influence such minds.⁷

But there are in Europe millions of others who, though they reject as absurd the ravings of Communists, nevertheless look upon the foreign policies of the United States and its leadership of the Western nations through eyes only somewhat less jaundiced than those of the Communists themselves. And it is to these that we must make our appeal, for it is they who may well exert a balance of power which can turn the scales in favor of us or of the Soviet Union.

It is probable that most of the western European leaders in government are prepared to recognize the necessity of American leadership. They, perhaps more than most of us, realize how narrow was the margin by which their countries escaped complete economic demoralization leading to domination by the new imperialism entrenched in the center of Europe. This margin of safety was supplied by ECA. Moreover, their growing realization of the threatening military power of the Soviets and their own inadequate power of resistance to

⁷ For a typical tirade, see A. Leontiev, "The Marshall Plan in the Light of Realities," printed in Norman J. Padelford (ed.), *Current Readings in International Relations*, 1949, pp. 115-19.

it has doubtless reconciled them to American leadership in the military defense of the West.

But that such dependence upon American aid both economic and military has produced some feelings of resentment is probably also true. It could hardly be otherwise. Nations which for centuries have carried the banner of Western civilization to the ends of the earth naturally find it disagreeable to adjust themselves to the leadership of others. It is one of the ironies of history that both of the giants among nations today should be located outside of western Europe. The realization of this fact has been a serious blow to national pride. It may safely be said, however, that the political leaders of Europe have shown themselves anxious to co-operate at least to the extent which they have judged the popular sentiment of their countries would allow.

It is the rank and file of European labor—not Communist, but largely socialist by conviction—that offers a challenge to American leadership. Unless the United States succeeds in convincing this large and important element that its welfare is bound up with the maintenance of democracy and personal liberty, it is highly improbable that, however thoroughly the military defenses of the West are strengthened by American aid, the aggressive sweep of Soviet imperialism will be successfully checked. In the life-and-death struggle between conflicting ideologies the mind and spirit of men largely determine the effectiveness with which military equipment is used.

Capitalism and socialism—U. S. and Europe

One reason many large groups in Europe shrink from complete acceptance of American leadership is their conviction that by freedom and liberty we actually mean chiefly freedom for pow-

erful economic groups to continue undisturbed in their highly privileged position. Naturally European labor thinks of capitalism in accordance with its own experience with it at home. European labor does not realize that American capitalism, considerably reformed in recent decades, and presently characterized by high production and high wages, may be quite a different thing from the capitalism against which labor has been struggling for generations. Perhaps the eagerness with which the most conservative business leaders in such countries as France and Italy have welcomed and profited by American aid has likewise strengthened the workingman's suspicions of America's disinterestedness.⁸

In this connection Americans who tend to use the words communism and socialism as synonymous might well consider the fact that it is in those countries of Europe where the Socialists are in charge of the government or at least

⁸ See excellent article by Raymond Aron, "Does Europe Welcome American Leadership," in *Saturday Review of Literature*, Jan. 13, 1951. Recent reports indicate that ECA representatives are making consistent efforts to convince French and Italian industrialists particularly of the necessity of adopting a more progressive attitude toward labor. On July 27 it was announced that henceforth ECA grants and consent to use counterpart funds would be made only to those industries which adopted the policy of high productivity, high wages, low prices, and fair profits. This announcement was at once hailed by labor and criticized severely by Communists and certain industrialists, the former declaring it evidence that the American capitalists had now thrown off the mask and determined to take over European industry. It has long been recognized that the benefits of ECA aid have not filtered down to the rank and file of people to the extent desirable. European industrialists have been better satisfied with low production, high prices, and low wages. Hence labor's demand for nationalization. For interesting accounts of European reactions to this development see V. D. Hurd's reports in *Christian Science Monitor* for July 27, 30, and 31 and Aug. 4, 1951.

constitute powerful and influential minorities that communism has made the least headway, and that in the countries where more conservative forces have been in control, the Communists have gained their largest and most fanatical following. Communists consider Socialists their bitterest enemies. It would seem folly for us to lump them together.

Widespread suspicion of the United States has been aroused by our recent tendency, spurred on by certain congressional factions and probably by military expediency, to bring into the European defense program such allies as Franco. President Auriol of France recently told members of the Foreign Relations Committee of the Senate that Spain's admittance to the North Atlantic Treaty Organization would alienate many Frenchmen because "people are always led by ideals," and that in his opinion Frenchmen would never tolerate Franco's troops on their soil; and Prime Minister Attlee told them in speaking of Spain that some people still believe they can "sup with the devil with a long spoon." Mr. Churchill, however, approved full relationship with Franco.⁹

U. S. political maturity and responsibility

Another matter which confuses and disturbs Europeans, even those who would otherwise gladly follow American leadership, consists of the discordant and contradictory noises coming from our shores. Our bitter partisan disputes over foreign policies, the blatant accusations against public officials, the demagogic rantings and posturings against anyone who thinks that the eco-

nomic and social system prevailing here may be somewhat less than 100 per cent perfect—these and similar excesses tend to arouse doubts about our political maturity and uncertainty as to who really speaks for America. They even raise the question of whether in our zeal to fight subversion at home we are not succeeding merely in imitating some of the worst features of communism abroad. A democratic nation that expects others to follow it must present to the world an example of democracy in practice, a democracy which not only advocates the doctrine of human rights and individual liberty but also lives up to that doctrine.¹⁰

Throughout the period of the cold war there has been in western Europe, particularly in France and Germany, a feeling prevalent among certain influential intellectual groups in favor of what has been called "neutralism." This is based on the belief that sooner or later the struggle between the Western powers, led by the United States, and the Soviet Union and its satellites will break out into open warfare and that in such a conflict France and its neighbors will inevitably again be invaded if not completely destroyed.

It is easy to appreciate how attractive the idea of remaining neutral in such a conflict may be to a people by no means fully recovered from the wounds of previous wars. This intense longing for peace has of course been effectively exploited by Communist propaganda, which never tires of calling attention to certain aspects of American civilization which many Europeans find unattractive, if not positively obnoxious. Thus Communists and other critics of the United States often picture the Marshall plan as the disguise assumed by American imperialists seeking to colonize Europe and to exploit its people in the

⁹ *New York Times*, August 12, 1951, p. 22. For a French view of the reasons why American policies are often opposed by Europeans, see "American Power: A French View" by Jean-Marie Domenach, editor of *Esprit*, in *American Perspective*, Winter 1950.

¹⁰ See editorial in *Saturday Review of Literature*, Jan. 13, 1951.

interest of our highly mechanized industrial system with its mass production which, they claim, transforms human beings into standardized robots.¹¹ American sponsorship of German rearmament has likewise aroused considerable and understandable opposition.

Probably there is but little real confidence in neutralism as a practicable policy, for even the slightest understanding of Soviet policy renders its acceptance impossible. In answer to the claims in behalf of neutralism the *London Times* has said:

The great fallacy of neutrality is the belief that the present conflict is a struggle between Russia and the United States, in which Western Europe is not directly concerned. In fact the United States intervened in Europe to protect the nations of Europe from Communist aggression, which would quickly renew its advance if her support were withdrawn.¹²

British Labor criticism

It is not only on the Continent that the leadership of the United States is sometimes questioned. Even in Great Britain there has recently been considerable opposition to American policies particularly among the so-called left-wing elements of the Labor party. *One Way Only*, a pamphlet endorsed by Aneurin Bevan, who several months ago resigned from the Labor Cabinet, takes the United States to task for its emphasis upon rearmament both at home and by its allies at the expense of worldwide economic reconstruction, and severely criticizes the British government for its acceptance of such a program. Although the sentiments expressed in this pamphlet may be endorsed by only a small fraction of the Labor party (Mr. Churchill has declared it to be one-

eighth), they may nevertheless evoke strong sympathies among those who already entertain grave doubts regarding the wisdom of our foreign policy. Both government spokesmen and opposition leaders have vigorously taken issue with the views expressed by the Bevan faction.¹³

OUR RECORD IN GERMANY

But how have we succeeded in Germany, our most complicated problem? Here the United States has shared responsibilities not only with Great Britain and France but also with the Soviet Union, whose aims proved to be in direct conflict with those of other occupying powers. Although the policies announced at the Potsdam Conference seemed at first to be based on common agreements on such matters as the peace treaties, postwar German government, and the levying of reparations, it soon became clear that the agreements were agreements only in the *use* of words and not in their *meanings*. All the occupying powers used such terms as democratization, denazification, dismantling of warmaking potentials, demilitarization, co-ordinated allied policies, and dealing with Germany as an economic unit; but the division of the country into four separate sectors, each with its own military government and different if not contradictory aims, soon resulted in the abandonment of the Allied Control Council and ultimately in the creation of two Germanys—one forcibly oriented toward Russia and its satellites, and the other dependent upon the West.

Russia's aims have been reparations for the immense losses suffered in the war and the complete subjection of the eastern zone, and if possible the rest of Germany, to the level of a Soviet satellite. The U.S.S.R. has drained her zone of much of its capital equipment as well

¹¹ See Harold Callender, "Explaining France's Views of Us," in *New York Times Magazine*, March 12, 1950.

¹² *The Times, Weekly Edition*, May 31, 1950.

¹³ See Editorial in *London Times, Weekly Edition*, July 11, 1951.

as of its current production and has completely dominated the so-called German Democratic Republic through the agency of the Communist-controlled Socialist Unity Party. The larger landed estates have been divided, and the industries have been nationalized.

The chief aim of French policy with respect to Germany has been the guarantee of security. Three invasions in seventy years readily account for this attitude. Just as it did in 1919, French policy has supported German decentralization if not the breaking up of Germany into a number of powerless states. Only with reluctance, and then in the face of grave dangers from the East, did France agree to the establishment of the German Federal Republic. French support of the Schuman plan represents another approach to the problem of security.

Denazification

American policies with respect to Germany have undergone important changes during the years since the war. When the occupation began there was a widespread demand for punitive measures. The brutalities committed by the Hitler government in the countries it had overrun, the confiscations, deportations, and wholesale executions that accompanied its conquests, and the barbarous treatment it had meted out to minorities in Germany itself—all these called aloud for summary punishment. The policy of denazification therefore occupied a prominent place on the original program outlined for American occupation forces. This policy, however, proved difficult to carry out.

The need for qualified German personnel to execute the orders of the military government was urgent, and it was soon realized that often the only Germans who could meet the minimum qualifications had been more or less associated with the fallen regime. An-

other difficulty was that the German enemies of the Nazis, at least in the eyes of the military authorities, were often tainted with socialism and hence were more suspect than the Nazis themselves, who, after all, belonged to the more socially acceptable class.¹⁴ It is probable, however, that by far the most solid base for the development of a sound democracy in Germany is found in the laboring class which is organized politically in the Socialist party and supported in much of its program by the labor elements in the Christian Democratic Union. This class furnished the greatest defense against both Nazism and Communism before 1933, but its potential usefulness was not fully employed in the American zone during the early years when denazification was undertaken.

It is generally agreed that the program was somewhat less than a brilliant success. Perhaps if less attention had been given to minor offenders and more to the real leaders of the Nazis, not so much German opposition would have developed. The policy as carried out probably aroused even among liberal Germans more sympathy than hostility toward their compatriots who, often simply to preserve their livelihood, had been caught up in the Nazi system.¹⁵

Underlying the denazification program was the American desire to prepare the

¹⁴ For description of conditions in Germany during 1945, see Leonard Krieger, "The Inter-Regnum in Germany, March-August, 1945," *Political Science Quarterly* (December 1949), p. 507.

¹⁵ See William E. Griffith, "Denazification in the United States Zone of Germany," *The Annals of the American Academy of Political and Social Science*, Vol. 267 (Jan. 1950), p. 68; also *Fifth Quarterly Report*, Office of the U. S. High Commissioner for Germany, Oct. 1-Dec. 31, 1950, pp. 46-55. There has been severe criticism of the failure to carry out the decartelization program. See James Stewart Martin, *All Honorable Men* (Boston: Little Brown, 1950).

way for the establishment of democratic government in Germany. But here again great difficulties were encountered. Democracy is something that cannot be given and much less imposed. It arises only from a demand for it within the country itself. One of the severest handicaps under which the Weimar Republic labored was the widespread feeling, carefully nurtured by the internal enemies of the Republic, that it had been imposed by the victorious allies. From the beginning, it bore the brand of defeat.

Democratization

As soon as possible after the occupation began the United States Military Government sought to establish the conditions under which at least the beginnings of democratic government could be realized. First local and then Land elections were held, and regularly constituted governments came into existence. These elections in 1946 were the first free elections in Germany since 1933. Both local and Land governments and the Federal Republic established in 1949 with jurisdiction over the three western zones have remained restricted in power and subject to the supervision and control of the Allied High Commission as provided by the Occupation Statute, considerably liberalized since 1949. The German Basic Law provides for a governmental setup which rather closely resembles in essentials the Weimar system, with a president, a two-chamber legislature, courts, and a responsible ministry.

In the first federal elections in August 1949, about 80 per cent of the eligible voters participated, and the relative strength of the several political parties was not greatly different from what it had been before 1933. The four largest parties in the order of their popular strength were: Christian Democratic Union, Social Democratic Party,

Free Democratic Party, and Communist Party.¹⁶ Thus within four years there was created in West Germany the formal apparatus of democratic government. Moreover, these institutions were created by the Germans themselves.¹⁷

To what extent have the Western occupying powers under American leadership been able to report progress in the democratization of the German people? Germany has a long tradition of authoritarianism both in government and in its social system, which its brief experience under the Weimar Republic by no means destroyed. There is reason to believe that many of the difficulties of republican Germany stemmed from its failure to root out undemocratic elements particularly in the civil service and in the judiciary, the personnel of which, recruited largely from the upper social strata, often gave only lip service to republican ideals. Although it appears that a sincere effort has been made to change this attitude, it still persists.

In a recent radio address, United States High Commissioner McCloy stated: "It would be false to deny that a great deal of this authoritarian cultural pattern is still in existence in Germany. It is there—it still exists in the whole sphere of human relations."¹⁸

¹⁶ See Seymour R. Bolten, "Military Government and the German Political Parties," *The Annals of the American Academy of Political and Social Science*, Vol. 267 (Jan. 1950), p. 55. For a description of the federal government see *Fourth Quarterly Report*, Office of the U. S. High Commissioner for Germany, July 1–Sept. 30, 1950, pp. 22–26; also see *Sixth Quarterly Report*, Jan. 1–Mar. 31, 1951, pp. 35–39.

¹⁷ Arnold Brecht, "Re-establishing German Government," *The Annals of the American Academy of Political and Social Science*, Vol. 267 (Jan. 1950), pp. 28–42; also James K. Pollock, "The First Year of the Bonn Government," *Journal of Politics*, Feb. 1951, pp. 19–34.

¹⁸ *Department of State Bulletin*, July 9, 1951; also *Third Quarterly Report* of Office

He added, however, that the new Germany was moving in the direction of greater democracy, that its governmental system and its chief political leaders were prodemocratic, that there was freedom of speech and of the press, and that there existed throughout the country groups of people who fully understood the representative system of government and were working for its early realization. He cited as other indications of change for the better the eagerness with which the German government had joined international organizations such as the OEEC and the Council of Europe, the establishment of more democratic personnel practices in the several states, the organization of a number of active civil liberties groups, reforms in police administration, and the strong stand of the labor unions in behalf of democratic procedures throughout the governmental and social systems.¹⁹

There has recently been some evidence of the recurrence of still small but vociferous antidemocratic groups and parties. In the May election in Lower Saxony the Socialist Reichs Party received 11 per cent of the popular vote. Similar groups have appeared in other sections of Germany. In speaking of the problem of German democratization High Commissioner McCloy recently suggested that the real solution of the German problem lay in the integration of Germany with the European-Atlantic world community.²⁰

Western Germany and NATO defense

During the last few years one of the most important problems confronting

the Western occupying powers has been the relationship of Western Germany to the defense program of the North Atlantic Treaty Organization (NATO). The proposal to rearm Germany naturally aroused differences of opinion in all the Western countries and met with strong hostility in France. The mere fact that the question should be raised at all is indicative of the extent to which the conflict with Russia has come to dominate Western thinking. By 1950 the necessity of military defense was so keenly realized that many of the earlier attitudes began to give way, and the matter became the subject of intense interest and debate. The suggestion that Germany participate in the rearmament program met with opposition not only in all the Western nations but also in Germany itself. There was a widespread demand for neutrality, impossible though that was in view of the Soviet aims and the geographical location of Germany.

In the foreseeable future Germany will not possess the economic and political power to play the role of an independent third force between East and West, and it is probable that the Germans themselves realize it. But in the crucial contest of today there is some temptation for German leaders to use such power as they do have for bargaining purposes and to exact, for any aid they may give or promise to give to the West, additional relief from the restraints of the Occupation Statute. Against this dangerous tendency they have been warned by the High Commissioner, but the distant possibility of a reunited Germany, something which only the Soviet Union can offer (though only at the expense of some of her own satellites), holds an irresistible attraction to some Germans, even Germans who are by no means Communists. Ever since Bismarck's day there have been Germans of all classes with an

of U. S. High Commissioner for Germany, April 1-June 30, 1951, pp. 35-38.

¹⁹ *Third Quarterly Report*, Office of the U. S. High Commissioner for Germany, April 1-June 30, 1950, pp. 24-38.

²⁰ Department of State *Bulletin*, July 9, 1951.

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Eastern orientation, and included among them have been industrialists and army officers as well as politicians. There are among them some who dream of another Rapallo, but they probably realize that to embrace the Russian bear today would be more hazardous than it was in the twenties.

GENERAL IMPROVEMENT IN WESTERN EUROPEAN ATTITUDES

The doubts entertained by Europeans relative to America's strength of purpose in assuming leadership among the Western nations have to a large extent been removed by our actions during the last few years. The vigor with which Berlin was defended by means of the airlift during the critical period of the Russian blockade had an enormous psychological effect not only on the beleaguered people of that city and on all Germans but also on all the Western peoples. It demonstrated both determination and a high degree of competence in action.

The leadership which the United States assumed in the Korean war furnished even more striking evidence of our willingness to act with speed and effectiveness. Had we not acted when and as we did, the United Nations would have been reduced to complete ineffectiveness. There has been much criticism of our policy in regard to Korea, in the United States as well as in Europe, but our action has met the urgent demand for vigorous leadership against aggression.

Although there have been vigorous criticisms of the United States policy in

most of the European countries aided by the ECA program, the most casual examination of sentiments expressed abroad suggests that our leadership has been accepted not only as necessary for economic recovery but also as evidence of our desire to aid in restoring Europe to its position of political independence and economic prosperity. The belief that the United States desires to dominate Europe politically and economically is entertained by relatively few who are not committed to the program of the Soviet Union. That there are many in every country who feel their dependence embarrassing and even galling is certain. But that they harbor deep resentment against the United States for that dependence is improbable.

For a nation as inexperienced as ours in the responsibilities of world leadership, our record since the war has been creditable. The policies we have pursued in the United Nations, both with respect to the Acheson uniting-for-peace proposals and in combating the aggression in Korea, have met with at least reluctant acceptance. And our occupation policies in Japan have been recognized as moderately successful.

But the most striking proof of our leadership of the free world has been our acceptance of responsibility by joining the North Atlantic Treaty Organization. By this action the military power of the United States was committed to the defense of western Europe. Finally, the selection of General Eisenhower as head of the NATO forces provided the emotional uplift so much needed by the democratic peoples of the free world.

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American Influence on Japanese Thinking

By KAZUO KAWAI

JAPAN is, in a sense, the "pilot plant" of America's Far Eastern policy. For six years the United States has had a freer hand to experiment with Japan than with any other country in Asia, or indeed in the entire world. If the Japanese should still be receptive to Communism, it would mean that American efforts to influence Japanese thinking had failed. Whether due to American ineptitude or to Japanese perversity, such failure would indicate that America's prospects of winning the minds of the peoples of Asia to democracy against Communist competition were not good. If, on the other hand, the Japanese should remain reasonably faithful to democratic teachings even after the end of the American occupation, it would indicate that other Asiatics likewise could probably be brought about to understand and accept democracy.

Japan is also important not simply as a testing ground for American influence in Asia but for her intrinsic value as a factor in the struggle between the democratic and the Communist forces. Her usefulness as a base and staging area for the military campaign in Korea has already amply demonstrated the strategic value of her geographic position. Her manpower resources, now being viewed with increasingly calculating eye, are of value not only for quantity but also for quality, for the Japanese people still constitute the most highly organized, most compact, cohesive, and disciplined major racial group in all Asia. Japan is the only nation in Asia which possesses a significant modern industrial establishment with the necessary complement of a large body of experienced scientists, technicians, and administrators.

Not only can the power of such a nation be a welcome addition to the democratic side, but, what is probably more important, its utilization must be denied to the other side to whom it would be relatively much more valuable. It might spell the difference between success and failure in the competition for dominant influence in Asia.

Because of these reasons, the extent to which American influence has affected the thinking of the Japanese with respect to their attitude toward democracy has become a matter of serious concern to the United States. There are both encouraging and discouraging signs to be noted in the Japanese scene, and these must be weighed against each other before any conclusion can be drawn.

FAVORABLE ASPECTS OF AMERICAN OCCUPATION

The official view—professed by the occupation officials, the United States Government, and the Japanese Government alike—is an optimistic one. It is that Japan is the one place in Asia where the American policy has turned out to be a brilliant success. The Japanese people, disillusioned by the disasters brought upon them by their misguided former leaders, have been deeply impressed by the superiority of the democratic way of life introduced to them by the wisely benevolent American occupation. They have consequently become willing converts to democracy and, while they still have much to learn, are making such sure progress that there is little danger of their reverting to their old ways or of falling for the blandishments of the Communists.

In support of this view, it is pointed out that Japanese social and political institutions have been drastically reformed to accord with democratic standards, and although obviously the initiative came from the Americans, the Japanese seem generally to be accepting the changes with genuine enthusiasm. While the new democratized government of Japan is not perfect (there is some corruption and inefficiency, and there are occasional lapses from democratic practices), it is quite a good government as governments go, and incomparably good for that part of the world.

The Communist menace, which reached its high-water mark in the general election of January 1949 when nearly 10 per. cent of the electorate voted for Communist candidates and increased Communist representation from 4 to 35 in the 466-member Lower House of the Diet, has subsequently receded almost to the vanishing point. Stepped-up police activity has by no means been the only reason for this outcome. The general Japanese public has become increasingly capable of recognizing the falsity of the Communist pretensions.

For a long time following the outbreak of the fighting in Korea, Japan was virtually stripped of American troops, but the Japanese have remained faithful to the occupation policy. Indeed, they have shown an amount of spontaneous good will and co-operation toward the American war effort which is nothing short of astounding. Obviously the Japanese identify themselves with the American cause without need of compulsion and believe that their future rests with the side of democracy rather than with the side of Communism. All these facts are pointed to as evidence that American influence has succeeded in winning the Japanese to the democratic side.

Good grounds exist for this favorable situation. They are:

American occupation wins trust of Japanese

The American occupation has, in the main, been of such exemplary character as to win the trust of the Japanese. It rests on policies which are eminently sound. It has not been hampered by such international complications as have marred the occupation of Germany. And whatever controversy General Douglas MacArthur may arouse in other fields, there can be little question that he possessed a unique fitness for the task of directing the occupation of Japan, particularly during its early, formative stages. He succeeded in infusing into his subordinates a considerable amount of his own dedicated sense of mission, and the confidence and gratitude which his attitude inspired among the Japanese continue to influence Japanese attitude toward the United States.

Historical tendencies toward democracy

The objects of the occupation have not been inconsistent with certain Japanese historical tendencies. Japanese society has at times manifested promising democratic tendencies, even though in the past these tendencies have been choked off prematurely by unfavorable environmental conditions. But the existence of these incipient democratic tendencies has enabled the occupation to proceed on the theory that, if some protection is afforded to these tendencies during their early stages, they can be made to prevail against their unfavorable environment and to reach successful fruition. Accordingly, while the occupation has in some respects been iconoclastic, it has generally been able to place more emphasis on the encouragement and nurturing of certain existing native traits. Many of the reforms sponsored by the occupation represented the restoration and extension of the movements initiated by the Japanese

themselves in the comparatively liberal decade of the 1920's before they were interrupted by the rise of the militarists in the 1930's.

Thus, whereas an attempt to foist a wholly alien system upon Japan would have aroused the solid resistance of the Japanese, the occupation's policy of identifying itself with desirable native tendencies has enabled the occupation to ride on the wave of a substantial popular native support. In so far as the occupation program thus coincides with indigenous trends, its chances of permanent survival are good.

Japanese receptive to new influences

The occupation has also been able to gain heavy support because the Japanese are highly receptive to new influences. Widespread literacy and a tradition of eclectic borrowing make the Japanese susceptible to new ideas. But more important is the fact that the bewilderingly rapid changes which Japan has undergone during the past hundred years have left the Japanese people with no deeply rooted convictions of their own. They therefore tend to embrace anything which seems at the moment to be successful.

Thus it is that, while a small hard core of incorrigible reactionaries on the one side and a small hard core of stanch liberals on the other constantly hold fast to their respective positions, it takes very little to sway the majority from one side to the other. Once easily influenced into supporting militarism, they now turn in disillusionment to democracy. It is not dishonesty or hypocrisy; it is simply the perennial search for a successful formula on the part of the modern Japanese who have been cast adrift from their traditional moorings.

This easy changeability of the Japanese is of course an ominous thing. But for the time being it operates as a factor

of strength to the democratic side, for it has brought an overwhelming proportion of the Japanese population into a sincere, if superficial, support for democracy. Even such seemingly fickle support should not be undervalued; for there are reasons to believe that contact with democracy will cause the Japanese to outgrow this trait of easy changeability. Because democracy forces the people to make their own decisions and to shoulder their own responsibilities, the very act of imitating democratic practices—even though undertaken initially without real conviction—may soon force firm convictions to develop in the minds of the Japanese. In this respect, democracy may prove more capable of transforming casual adherents into convinced supporters than any other doctrine.

Japanese like democracy

The brief taste which the Japanese have had of democracy so far has been to their liking. General MacArthur has often expressed his belief that no people who have once experienced as much democracy as the Japanese have under the occupation will ever willingly accept anything else. It may be questioned whether such confidence is justified, but there can be no denying that the majority of the Japanese people do relish their new political power, their new civil liberties, their new social privileges, and the general sense of freedom which the occupation-sponsored reforms have brought them.

New vested interests created

Occupation-sponsored reforms have created new vested interests which have a vital stake in the new democratic regime. Some of the reforms which have been especially effective in winning popular support for the democratic side deserve specific mention. Perhaps most notable has been the land reform pro-

gram which has wiped out absentee landlordism, has transferred the ownership of the bulk of the land to peasant cultivators, and has virtually eliminated the problem of tenant farming. This drastic program has naturally made the former landlord class unhappy, but it has made the far more numerous peasant class feel that they have a stake in the present regime. When it is recalled that the discontent of the landless peasantry has been one of the prime dynamics of the Communist revolutions in other parts of Asia, the value of the Japanese agrarian reforms in immunizing the peasants of Japan to Communist infection can scarcely be exaggerated.

The occupation's relations with the industrial workers have been less happy than its relations with the peasantry. For, although the occupation was responsible for the revival of labor unions and for the initiation of progressive labor and social legislation in postwar Japan, organized labor has tended to outrun the occupation. Showing amazing virility but considerably less wisdom and patience, some sections of labor have at times even followed Communist leadership. But even here the net result has been notably favorable to the democratic side. Through the invaluable practical experience which the seven million organized workers of Japan are gaining in their union activities, they are being developed into a seasoned force conditioned to resist oppression of any kind. They can be counted on to be the most militant defenders of democracy in Japan.

Economic rehabilitation program

The most effective American influence in winning the support of the Japanese has been the American program for the economic rehabilitation of Japan. At the end of the war Japan was economically prostrate. Today, after barely six years, although life is still considerably

harder than before the war for most of her people, Japan has become one of the few relatively stable and prosperous sectors in a generally unsatisfactory world economy.

The Japanese are fully aware that the principal cause of this recovery has been American economic aid which has totaled about two billion dollars in the past six years. It has been smaller in amount than the American economic aid to China, to the Philippines, to Western Germany, or to any of the major countries of western Europe. But, thanks to the stricter controls exercised by the American authorities and to the abilities of the Japanese themselves, apparently greater results have been achieved in Japan than elsewhere. Already it has become possible to reduce the annual amount of aid from the high point of \$535 million in 1949 to \$280 million in 1950, with the prospect that all direct aid can be ended by July 1951. For such marked economic recovery, the Japanese are naturally grateful to the United States. Furthermore, the Japanese well realize that their future prosperity will depend on continuation of close economic co-operation with the United States, and thus, if for no other reason than that of material self-interest, the Japanese will be inclined to align themselves on the American side in world politics.

Traditional fear of Russia

The Japanese are all the more receptive to American influence because of the fear and suspicion which Russia has traditionally inspired in them. Since early in the eighteenth century when the expanding Czarist empire began to encroach upon a Japan still in seclusion, the Japanese have regarded Russia as a threat to their security. The Russo-Japanese War of 1904-5 was no more than one episode in the accentuation of this traditional attitude. Recent events

in Korea seem to the Japanese a further proof that their long-standing fear is not unfounded. Hence, although most Japanese have little emotional aversion to communism as a doctrine, they do have a distinct aversion to communism as a political force because of its association with Russia. The attempt of the Japanese Communists to disguise their program in a nationalistic garb has not fooled very many of the Japanese people. The pretensions of the Chinese Communists to leadership of the Communist movement throughout all Asia further tend to alienate most Japanese from communism, for most Japanese find it difficult to accept a position subordinate to the Chinese.

Desire for world respect

The Japanese also feel a gratifying sense of at last having secured a chance, through associating themselves with other democratic peoples, of winning a respected position in world society. Such a chance for recognition is highly prized by a people who suffer from such a strong national inferiority complex as the Japanese. Much of the antisocial international behavior of Japan before the war can be attributed to resentment against what the Japanese considered an unwillingness on the part of the world to accord due recognition to Japan's achievements. Defeat in the war made them realize that perhaps their achievements were not so great as they had imagined; the American occupation revealed to them new realms of endeavor which they had scarcely known before. But at the same time the occupation has pointed out the way in which Japan might achieve distinction in these new realms. Here is an opportunity which the Japanese will not lightly throw away. Such a point of view may be difficult for Americans to appreciate, but in this world which is still pretty much a white man's

world, Japan is not the only Asiatic nation whose conduct is strongly influenced by its emotional reaction toward acceptance by the rest of the world.

These factors, then, tend to support the official view that Japan can now be safely counted among the democratic nations of the world.

TENDENCIES OPPOSING U. S. INFLUENCE

At the same time, the existence of opposing tendencies must be recognized. It is questionable how securely established are the reforms which the occupation has introduced. Those who warn that the reforms are superficial, that no basic change has taken place in the structure of Japanese society or in the thinking of the Japanese people, and that the presurrender "Old Guard" still wields dominant power, probably underestimate the real ferment which new ideas have begun to cause in postwar Japanese society. But their warning is useful as a reminder that even real social ferment requires time before it can bring about substantial practical change. It may therefore be legitimately questioned whether the democratization of Japan has already progressed sufficiently to be secure against any challenge. However impressive the record so far, it is difficult to be absolutely confident on the basis of only six years' performance.

The following grounds for misgivings may be noted:

Democratic reforms retarded by economic emphasis

Emphasis on economic recovery has in some respects retarded democratic reforms. This is not to say that the occupation's economic policy has not been justified. Democracy cannot be taught to a starving people; an attempt to force extensive reforms on an economically crippled society would have

resulted in complete collapse and chaos. But, at the same time, it must be admitted that the necessity of providing for economic recovery has served to grant a prolonged lease on life to some undemocratic business elements carried over from the old regime. They constitute a potential rallying point for reaction.

As a specific example, the program of "zaibatsu-busting" as originally envisioned by the occupation reformers probably deserved to be modified because it went so far and so fast as to endanger economic recovery. But the program as it has finally been watered down may represent too much of a concession in the opposite direction. If it is allowed to stand as the final solution, instead of being considered as only the first step in a process of continuing reforms, the democratization of Japanese economy may be endangered.

Resistance to Communism leads to reaction

The success Japan has had in safeguarding herself from subversive Communist activities has, as its reverse side, a tendency to lead to reaction. The elimination of all vestiges of the pre-surrender police state and the establishment of civil liberties have been among the most valuable of the reforms instituted by the occupation. But, in the growing concern over the Communist menace, the authorities have recently become increasingly willing to counter Communist subversion with arbitrary police power, to demand ideological orthodoxy at the sacrifice of individual conscience, and to infringe on civil liberties in the name of national security. Thus there has already appeared a distinct danger of a slipping back to the practices of the old police state with its regimented "thought control." This tendency seems to be not only condoned but even covertly en-

couraged and instigated by some elements among the American occupation officials who, in their preoccupation with the Communist menace, have apparently lost sight of the original aims of the occupation. But of what avail is it to save Japan from Communism if it is to be done by methods which will merely deliver her into another form of totalitarianism?

Fear for national security

Concern over national security leads many Japanese to be cool toward American influence. It might be thought that fear of Russian aggression would cause the Japanese to seek the protection of the United States, and so it does with most of them. But a substantial and influential minority reacts in exactly the opposite way. To understand this reaction, one must understand the overpowering horror of war which grips most of the Japanese population today. In view of Japan's long martial tradition, this aversion toward war may prove to be only temporary, but at least the present generation of Japanese who have experienced the horrors of wholesale bombing and the devastation of their homes are desperately determined that they shall never again become embroiled in any war. They are reluctant to be drawn into close association with the United States for fear that, in the event of a Soviet-American war, it would afford Russia a pretext for an attack on Japan. They are also opposed to close association with Russia, for they know from experience what it means to be a target of American bombing. Consequently they believe that the only hope of security for Japan lies in strict neutrality.

This may be an utterly unrealistic attitude. The object lesson of Korea has recently caused many who formerly held this attitude to abandon it. But so strong is the emotional aversion to

war among many Japanese that they still recoil from American influence for fear it may hold the danger of involvement in war. This is the attitude of most of the members of the Socialist party and of many respected and influential non-Socialist intellectuals.

Would America defend Japan?

Some Japanese doubt the ability or willingness of the United States to defend Japan in the event of a Russian attack. They are puzzled as to the basic military strategy of the United States. Is Japan included within the defense perimeter which the United States is determined to hold at all costs? Or will the United States use Japan merely as an "expendable" to be abandoned after a delaying action against the Communist advance? Unless the United States can convince the Japanese that she is willing and able to defend Japan under any circumstances, many Japanese would consider it the better part of discretion to avoid any collaboration with the Americans which might later lead to Russian retaliation.

Rightly or wrongly the Japanese have come to identify General MacArthur with the policy of defending Japan at all costs, and his removal has increased their fear that the United States might abandon them in a pinch. As long as this doubt about American intentions continues, Japanese resistance to the Communists cannot be wholehearted.

Lure of China market

The economic pull of Communist China is another factor which works against American influence. Despite the unquestioned value of American aid in rehabilitating Japanese economy, some Japanese fear that Japan can never become self-supporting as long as she is confined to the American sphere of economic influence. They believe that Japan cannot exist without trade

with Communist China. Rather than face the prospect of being perpetually dependent on American charity, they would prefer to see Japanese economy more closely integrated with the economy of China even if it should mean cutting loose from American influence and flirting with Communist ideology. Unless through the Point Four Program or some similar means there is created in Southeast Asia and the Pacific a stable trading area adequate to engage Japan's productive power, the lure of the China market will continue to tempt the Japanese.

Pressure for expansionism

There is at least the theoretical possibility of an inescapable pressure for expansionism. The question arises as to what the Japanese might do if trade with either Communist China or a non-Communist economic bloc proves inadequate to support their economy. Will not the demands of a growing population pent up within inadequate economic limits lead to an inexorable pressure for expansionism? The agrarian reforms, while providing for more equitable distribution of landholdings, cannot increase total productivity. The labor movement, while demanding greater benefits for the workers, cannot create more jobs in an industrial establishment already glutted with more workers than it can support. Although various long-range social factors are gradually leading to an equilibrium in Japan's population, that happy state may not be reached in time to avert an explosion.

Chastened by their recent war experience, the Japanese are today sincerely trying to solve their problems peaceably. But, if they find that despite their best efforts their problem of survival cannot be solved peaceably, will they not in desperation—even against their own wishes—be impelled into a new imperialism, or a bloody revolution? In

either case it would mean the end of a peaceful, democratic Japan.

Totalitarian tradition

The habits of totalitarianism are still fresh. Sincere though the majority of the Japanese are in their present pursuit of democracy, the practice of democracy is still comparatively new and unfamiliar to them. In contrast, they have had a long tradition of authoritarian rule; the habits of totalitarianism are deeply entrenched. The democratic leaders are inexperienced, while the men who are most experienced in public affairs are experienced in the ways of autocratic rule. Even if the totalitarianism of the old days has been so discredited as to be beyond recall, the Japanese by habit may yet unconsciously slip into a totalitarianism of a new type.

The practices and techniques of the Communist state are strikingly similar to the practices and techniques of the fascist state. The same social maladjustments that gave rise to Japanese fascism in the past could in the future give strength to Japanese communism. Japanese ultranationalism and imperialism may yet find reincarnation in a neo-fascism or even in militant communism.

Communist dogmatic appeal

Spurious as are the Communist claims, they hold an attraction for Japanese intellectuals and young idealists which democracy has not always been able to match. Japanese education has heretofore been long on indoctrination and short on original thinking. Although this condition has been not so much the result of Japanese intellectual deficiency as of the pressing necessity of catching up on Western progress with the minimum of waste effort, the effect has been to leave the Japanese with a predilection for swallowing ready-made, logical doctrinal systems.

The shattering of their old beliefs by their defeat in the war has plunged the Japanese, to their great bewilderment, into a spiritual and intellectual vacuum. Into this vacuum have come the Communists, speaking in tones of seeming authority. They have a dogma, a panacea, a seemingly plausible answer to every question. They have an ideology supported by a dialectic which seems logical, scientific, and complete. In contrast to this impressive Communist catechism, the Americans can only advocate the democratic method of urging the Japanese to think out their own solution to their bewildering new problems by their own free initiative. To a people accustomed to pedantic authority, such intellectual freedom seems haphazard and lacking in scholarly profundity.

Most occupation officials are not first-rate scholars and, while they have been effective in administering reforms, they have not been particularly eloquent or even articulate in explaining the theoretical bases of democracy. Like most Americans they unconsciously tend to equate their Americanisms with democracy and, instead of teaching the universal principles of democracy upon whose bases the Japanese can develop their own brand of democracy, have often merely pointed to American models for the Japanese to imitate. To some Japanese, therefore, democracy has seemed like nothing more than material reforms desirable perhaps for a country of America's unmatched wealth but devoid of spiritual or intellectual challenge arising out of relevance to Japanese conditions.

It must also be admitted that, despite occupation reforms, there are economic hardships and social injustices which cannot be remedied overnight. But youth is impatient, and intellectuals are often impractical; it is not surprising that many sincerely idealistic Japanese

students and scholars, who should be the potential leaders of Japanese democracy, are more attracted by the intoxicating Communist call to revolutionary action than by the more constructive but less spectacular democratic program.

Revival of nationalism

The inevitable revival of nationalism will militate against American influence. Benevolent as the American occupation has been, it after all represents the might of an alien conqueror. As the Japanese recover from the demoralization which followed their defeat, their reviving self-respect will inevitably cause them to become restive under foreign control. It is natural to become tired of any political administration, even of one's own people, if the same administration lasts too long. This dissatisfaction is intensified and made emotionally dangerous if the administration happens to be a foreign military administration.

Already the Allied occupation of Japan has lasted too long; it has long ago passed the point of diminishing returns. Already there are signs that, while the Japanese still acknowledge with gratitude the benefits which the occupation has given them, they are becoming increasingly critical and irritated over the many minor faults and mistakes which such a complex operation as a military occupation of a nation inevitably entails. To prevent the occupation from going sour, therefore, a peace treaty should have been concluded long ago. Now there is bound to be a reaction. Americans must be reconciled to the

fact that, after the peace treaty, the Japanese are likely to revel in their newly regained independence by becoming less tractable to American desires. Securing the voluntary co-operation of the Japanese after the peace treaty will require considerably more persuasive effort than in the days of military control.

CONCLUSIONS

Any evaluation of the relative potency of the various favorable and unfavorable factors enumerated above must necessarily be largely subjective. There is not enough evidence available as yet to warrant any definitive conclusions. But on the basis of his personal experience in public affairs in postwar Japan, the present writer would venture the opinion that: (1) American influence on Japanese thinking has so far been remarkably successful in drawing the Japanese people to the democratic side; (2) recognition must nevertheless be given to the existence of potential factors which might conceivably, under some unforeseeable future conditions, cause the Japanese to turn away from American influence; (3) a temporary reaction characterized by some backsliding from democracy is likely to follow the conclusion of the peace treaty and the removal of occupation controls; but (4) despite temporary backsliding in some respects, prospects are very good that the essential gains for democracy brought about by American influence will be permanently retained and that Japan can be drawn increasingly firmly to the democratic side.

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The Struggle for the Mind of Asia

By PAUL M. A. LINEBARGER

ONE way to change a man's mind is to shoot him through the head. This is inhumane. It is also very troublesome and expensive, as the armies of the world find out when they compare the costs of psychological warfare with the extreme expense of combat. Propaganda represents an economical and humanitarian development in our culture in so far as it amounts to a transfer from violent, wasteful, and cruel methods of exchanging attitudes to other methods which are facile in application and which do no organic damage to the human body.

Before World War II very little attention was given to the use of psychological warfare as a preventive substitute for armed conflict. At the present time this is not the case. Americans and Russians are both increasingly trying to gain strategic advantage, each against the other, by the use of prebelligerent propaganda which may seriously affect the balance of power when and if World War III strikes the human race. One of the battlegrounds is Asia, and one of the mysteries about Asia is the apparent fact that Asians seem to fight poorly on our side and vigorously on the side of our Communist antagonists.

The contrast between the military collapse of Chiang Kai-shek's armies and the striking successes obtained by closely comparable armies under Communist command has underscored this factor of morale. The China which was regarded by most professional soldiers as being beneath contempt twenty years ago has succeeded in fighting a small first-class war with us in Korea.

The events of the Korean war suggest that manpower is itself still one of

the ultimate weapons; the peculiar richness of Asia in manpower underscores the need of the Russians to acquire a preponderance of Asian manpower if they are to put through the "liberation" of the entire human race in this century and the contrasting strategic need of the Americans to forestall the acquisition of Russia's manpower by Communism and if possible to control that manpower—militarily, politically, and economically—for the sake of the democratic constitutionalist majority of the United Nations countries.

For much of Asia, 1951 is the tenth year of continuous American propaganda. What results have been obtained?

APPRAISING U. S. PROPAGANDA IN ASIA

This is indeed difficult to appraise. The measurement of the efficacy of propaganda is still a very mysterious topic, subject to controversy even among the best-qualified people in the field.

We know what we should like to do with propaganda. We know what our propaganda looks like when it goes out. But we do not know what results to ascribe to propaganda. There is no way of measuring the relative contribution of propaganda as against such other factors as strategic pressure exerted through the existence of armed forces, the psychological effects of diplomatic and military news, the impact of utterances by public figures, and other major forms of nonpropaganda communication.

Propaganda, in other words, cannot be separated out.

Appraisals of what American propa-

ganda has performed must, therefore, be tentative, calculative, and generalized.

Judging by our war and postwar experience, however, it seems likely that the Americans, many centuries after the founders of the Han dynasty, are falling victim to the superstition of "correct public utterance." There seems to be a widespread American tendency to believe that, if America stands for *good things*, while the enemy stands for *bad things*, people will automatically rally to the American side.

Is this really true? Do people's minds really work that way? Is behavior based upon an emotional choice which is accompanied, *usually after the choice*, by a verbal and intellectual rationalization, or do people all over the world make their choices on rational grounds?

It can be argued that most of the approaches used by the Voice of America are reasonable, that this reasonableness is supported by American opinion, and that both our governmental propaganda and our domestic opinion are incorrect because they are based on the belief that people anywhere choose sides because of the rational merits of the case. It will do us no good to win the argument but lose the friend, and, if we repeat that experience many million times in Asia, we Americans shall have lost one of the critical strategic factors of our own safety.

AID OR PARTICIPATION?

An illustration can make this point more plain than could any amount of formal theory:

When the writer was in Singapore and Kuala Lumpur last summer and again in Taikyū and Suwon last spring he observed that time and again the non-Communists or anti-Communists offered the higher standard of living, while the Communists for their part offered poverty, disease, misery, danger, and death.

These were not, of course, the verbal offers; they were the real life choices presented to young men wavering between one side and the other.

Verbally and rationally the Communists offered equality, prosperity, liberty, happiness, high culture, and peace. The anti-Communists offered much the same thing.

The difference between the two sides arose not from the logomachic play of rational arguments, but from what the two systems offered a given young Asian to *do* in his own real-life surroundings.

Frankly, there was virtually nothing which any Asian could be permitted to do for the United States or the United Nations or for democracy in general. We and the British were begging people to think well of us. We were asking them to accept the remote and ignoble benefits of a slight material enrichment through Point Four, the Colombo plan, or similar devices. What we said in essence was this: "Stay on the democratic side, and you will be able to earn \$350 a year twenty years from now instead of \$200 a year as you now earn."

Our offer was a condescending and often infuriating proffer of help by a rich and pharisaical nation smug and glutted with its own wealth, expecting to buy the love and loyalty of human beings by offering them the riches which we Americans so obviously esteemed.

What was the Communist counter-offer? The Communists talk about being materialists, but their offer was one almost entirely of spiritual values. They did not ask the Asian youth to sit tight for twenty years, contemplating the benefactions which would be heaped upon him by the productive system of the U.S.S.R. The young Asian was not invited to spend the rest of his life waiting for a handout. Instead he was invited to take part in a serious and deadly struggle here and now, in which he could immediately change himself

from a mere coolie into one of the liberators of mankind. The intrinsic Communist message was, "We need you, you yourself, right now! No matter who you are, where you are, you can help. Your help will count. It means everything!"

COMPETING PROPAGANDA AND BELIEFS

We thus come to the branching of the ways which makes up the deadly paradox of competing propagandas in Asia.

The Americans believe in spiritual things, but they try to buy them by material means—by dollars, by gifts, by aid. The Communists believe in material things, but they offer people something to join, something to do, something to fight. We Americans offer property; the Communists offer a reason for being alive.

In Singapore itself the Chinese are probably living better than any large number of Chinese have ever lived before in the history of the world. The old-fashioned coolie, so common a sight in Chinese society for many centuries, is virtually extinct in that city. With a Labor government at home and rubber prices the highest they have ever been, Singapore represents just about the best that could be done under real-life conditions with a large Asian metropolis in our time. Yet within this citadel of prosperity, liberty, and education, despite the public health facilities and all the other benefits of self-government under the British Crown, the "practical" men try to stay neutral in the worldwide struggle between Communism and democracy, while men of courage and audacity openly join the Communist cause. There is nothing for them to do on the British side.

They are not asked to bear weapons except under British officers. They are not invited to conspire, to assassinate, to sabotage, to come forth as grown

men in the battlefield of real life. There is no danger which Britain asks them to meet. There is nothing which a Chinese in Singapore could do which would make a British family proud and happy to have its daughter marry him or which would make the British Government invite him to sit with the Cabinet in London.

The Chinese in Singapore is invited to benefit, but he is not given the chance of taking part in the struggle.

OUR CONDESCENDING ATTITUDE

The British are not alone in this. American policy has been condescending or insulting toward the Japanese anti-Communists, the Korean anti-Communists, the Chinese anti-Communists, the Philippine anti-Communists, the Siamese anti-Communists.

Some peculiar quirk in the American character of the 1950's makes us respect people who believe and behave differently from ourselves. This may be because quite a number of the American policy makers, newspaper correspondents, and other members of the intelligentsia need a cause in their own personal lives without being able to find one. Often they are not prepared to respect anyone who follows the lackadaisical American pattern. It would be easy for such talented, restless personalities to admire Titoist Communists or other dangerously leftist revolutionaries. This would permit them to disavow the Chamber of Commerce values in American life, which so many American intellectuals despise, while enjoying the satisfaction of being against Stalinism at the same time. It is not from Asia alone that one observes this gulf between brilliant American scholars, diplomats, writers, and other intellectuals on the one hand, and the American working and business community on the other.

Then again, the tragic fallacy of the American approach to Asia today has been unwittingly expressed by persons such as Pearl Buck, Paul Hoffman, Dean Acheson, and many others, who plead for the enrichment of Asia with American help. They overlook the spiritual need of the Asians while taking account of their material requirements. Asians are poor, but their poverty of prestige and self-respect is greater than their poverty in economics. They need to be needed.

But is this not also true of us? What of most Americans? They want America to be loved, and they do not know how to get America loved except by following the deeply traditional American way—purchasing love with generosity, particularly the generosity of material things—and among material things, food most of all.

There is nothing subtle or Machiavelian about a Communist propaganda which offers people honor as against American propaganda which talks in heavenly generalities about democracy, constitutionalism, free elections, good government, land reform, and similar problems. The Communist offer of honor may be made on the basis of the grossest deception and because of the most malignant motives, but the offer at least seems real to the person who gets it. People who join the Communist side feel that they are needed, that the Communists want them.

You couldn't join the American side if you were an Asian. There isn't anything to join.

VERBALIZATION OR PARTICIPATION?

Furthermore, propaganda which asks for a verbal response is very likely to get it. If Americans keep on demanding assent from Asians from the propositions that America is good, that American life is wealthy, that Americans have freedom, that America means well, and

so on, they are likely to get just that—assent.

But it can be argued very pointedly indeed that opinion *as opinion* has never mattered in the history of the world and never will. Opinion becomes significant in human life only when it is transformed into action. As long as the Americans want people to be verbally on the democratic or United Nations side they are likely at the most to get verbal approval. It is quite possible that we might have 90 per cent of the literate Asians of a given country definitely pro-American for many years, simply because we had a first-class propaganda effort in that country which encouraged people to express pro-American opinion. Yet we might find that when the day of battle came most of that 90 per cent would willingly fight against us, because American propaganda had never told people what to do, never asked for them to act. Propaganda moves into real life only when people can take something which they think or say and transform it into something which they *do*.

What is the American cause?

How can the Americans win?

Where is America going?

What can the individual Asian do to help America?

These are fundamental questions. Our case in Asia may be won over and over again but the struggle lost—unless we can find a way to need the Asians. It is easy for Americans to exaggerate the consequences of literacy and education on political effectiveness. It is emotionally very rewarding for Americans to get a visceral thrill out of comparing our own knowledge of the present-day world with the ignorance of the Asian coolie. It is pleasant to think of ourselves as helping. We go on offering guns to the governments, credits to the established authorities, but only remote words to the masses.

Psychologically the Communists have the tactical advantage of us in the battle lines within the social structure. Communists' appeals for help reach all the way down to the people themselves—to the young man leaving the middle school, to the peddler in the street, to the housewife at the market. Communism has something for every single one of them to do. The Americans are not yet out to subvert any government. We are trying to be friends with everybody and are trying to ride in diametrically opposite directions at high speed.

AMERICAN PRINCIPLES OF AID AND NONINTERFERENCE

In one direction we are encouraging exaggerated Asian ideas of national sovereignty which we ourselves throw increasingly into the discard with joint American-Canadian, American-British, North Atlantic Treaty Organization (NATO), and Organization of American States (OAS) facilities. We say that we try to stay out of the tabooed "internal affairs" of the new Asian nations. In the other direction equally vigorously we seek to interfere in the internal affairs of every nation in Asia outside of the Bamboo and Iron Curtains by enriching their people, modernizing their communications, industrializing their economies, modifying their land tenure, and in general upgrading them.

At any given point it is possible to reconcile the American principle of non-interference with the American principle of aid, but the long-range process is both wasteful and sad. The outstanding tragedy is, of course, the case of China where we offered Chiang Kai-shek aid, but did not make that aid effective by supervising it. American policy supported the Nationalists in their suicidal mistake of removing Japanese technological personnel from the

long-occupied sections of China without replacing Japanese technicians with Americans. Having given Chiang materials which most of his people could not use and did not understand, we followed up the process with a domestic press campaign maligning him in 1947-48 as ludicrously as we had overpraised him in 1941-42.

Aid plus interference—to the extent of fifteen or twenty thousand American civilians and soldiers managing the Nationalist economy and war machine until there were Chinese who could make it themselves—might have turned the tide at the Great Wall or the Yellow River. The aid was worth little without the moral support and the technical management which the physical materials were incapable of conjuring up from Chinese society by their mere presence.

No great crusade has ever been won on the basis of condescension and benefaction. Good deeds do not win battles. Who has ever won friends by offering to fight on their behalf while not letting them join in the fight itself?

AMERICAN NEED FOR ASIAN HELP

In the course of the next few years the Americans will have to learn how to ask for Asian help on a basis of real honor and real respect. We shall not be able to count on Japanese, Nationalist Chinese, Thai, Malays, or anyone else if we openly discuss them here in America as though they were the chat-tels who could be sent into battle or not as we saw proper—mere mercenaries who could be bought with a few shiploads of food or some credits in a bank. We must make a place in our own world for Asians and learn how to be glad that we have them with us.

What we do in real life counts much more than what we say. Asia will judge us far more sensitively by what we say

to one another at home than by what we send in the way of messages specially tailored for the Asian countries.

Despite its many faults, Moscow really welcomes each Asian who joins the Communist ranks. The Russian leaders themselves probably believe their own propaganda line, that the masses of the world can, must, should, and will join the revolt of the colonial peoples against imperialism. As of 1951, how can we Americans need an Asian? We accept a few token troops, but most Americans do not bother to hide their condescension.

We are still, it can be argued, concerned with aggrandizing our self-importance by helping other people. Yet ironically enough it is we, much more

than the Asian states, who are in danger of perishing before a Russian onslaught. The Asians probably will need our help sometime in modernizing and in becoming rich, fat, and pious like ourselves. We need them now and in the immediate years to come if we are to survive with any reasonable degree of security. Their help to us is urgent.

The conclusion, therefore, of this line of argument appears inescapable. American psychological warfare cannot win with weapons alone or with wealth alone. Victory can be found only in the discovery of a truly common cause. People cannot be persuaded to fight and die on our side merely because of arguments. We have to make place for them in our own ranks.

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The Ideological Strength and Weakness of the American Position

By T. V. SMITH

SPEAKING by and large, the American position is that in the struggle for existence and improvement all men must count, and, so far as possible, must count equally in sharing the burdens and in enjoying the benefits of associated life. As on the face of it men are not equal, the weasel phrase in the foregoing formulation is "so far as possible." Since, however, ambiguity furnishes leeway, and leeway allows for expansion, the American position has always been dynamic, passing from facts not always satisfactory toward ideals which by definition are fully satisfactory.

DISCREPANCIES BETWEEN FACTS AND IDEALS

Such a formulation discloses both strength and weakness. Since the emphasis of this article will be largely on our strength, and on how to make our position stronger, let us in all fairness begin with a major weakness. That weakness is not either in the facts or in the ideals, nor yet in the organic relation between them. It is, rather, in the tempo of change whereby the facts are budged in the direction of the ideals. The "as far as possible" has furnished a leeway not always exploited. Whether inequality be based upon color when the criterion is not color but intelligence, or based on religion when the criterion is not faith but works, or on the family tree when the criterion is not genealogy but genuineness, any such inequality represents a dent in our shining armor.

There is a good deal of such injustice in America, especially that based upon color, and it is made worse by any at-

tempt to deny it. It is overcome only by clearly seeing it and then by laboring to alleviate it. To admit that America has not gone as fast or as far as possible in guaranteeing justice to the Negro, for instance, is not to deny, nor must it be allowed to obscure, how much has been accomplished in that direction.

Considering where the Negro started at the beginning of the American experiment in justice—as a slave, of easily distinguishable color and clearly immersed in primitive culture—nobody can say that great progress has not been made by him and on his behalf. It has been said indeed, and perhaps truly said, that no people have ever made greater progress in less time, from humbler beginnings, than have the American Negroes.

With this admission of weakness, but demurrer against any imputation of complacency, let us pass to a more rounded assessment of our ideal resources in their physical environment. It is often charged and is not here denied that America has from her beginnings had it easier than some nations because of her material base of both magnitude and felicity. This fact concerns our present discussion only as it grounds our philosophy of enlightenment. But it does so concern us. All of America's triune ideals—liberty, equality, and fraternity—were indeed buttressed by a natural habitat that has made the New World more hopeful than the Old. We wish, first, to discuss two of these ideals—liberty and fraternity—as our strategy in approaching the full strength of America. This strategy will lead us from idealism to

ideology and then back to an ideal advantage of a double sort in the prevailing struggle for the minds of men everywhere.

At the beginning let us admit that the greatest strength of the American position is that it does not rest, and has never rested, on a dogmatic ideology. This dialectical debit is a weakness in winning verbal arguments but a strength in promoting material production. It is an old American wisdom, last echoed by Wendell Willkie, that only the strong can be free, and only the productive can be strong. The lack of a fixed system of beliefs does put us at an initial, but not necessarily at an eventual, disadvantage in dealing with the dogmatic, whether in religion or in economics.

THE IDEAL OF LIBERTY

Liberty, in its most elemental sense—the negative, or protest sense—has been both an ideal and a program in America, from the very beginning. That the colonies had to win their independence through revolution dramatized and confirmed the already prevailing notion of freedom *from*. Physical isolation may not yield effective freedom, but it does spell absence of many social interventions. Isolation, free lands, the open chance to subdue and to exploit a continent—these factors are the background and in part the very integument of the American emphasis on liberty. The continuing aspiration of men, almost equally with the dominance of the businessman, explains the American insistence that each individual be allowed, if not indeed required, to manage his own affairs.

In its most absolute form, this tenet touches thought, speech, and religious practices. The Bill of Rights, zealously adhered to by the courts, has erected a wall around these basic liberties too high to be climbed by political adven-

turers bent on intimate intervention. The separation of church and state, on its one side, is our institutional extrapolation of this emphasis upon freedom; as on the other side it is our defense of fraternity against the will to power. On whichever side one looks, in America it is not the business of any government what any citizen believes about anything; hardly its business what he says; and only to a limited extent its business what the citizen does.

In truth America has no heresy, and this for the simple reason that it has no orthodoxy from whose vantage to define heterodoxy. Heresy exists only for presumption on the prowl, and presumption is not encouraged to prowl in America—not even in the garb of piety. Mr. Justice Jackson, in majority reaffirmation by the Supreme Court of ancient and continuing American doctrine, stated:

If there is any fixed star in our constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion, or force citizens to confess by word or act their faith therein.

The strength of liberty

In propaganda, however, American liberty is strong only as it remains vague. It is hard for the American to understand why liberty as defined by him does not have a universal and inexorable appeal. When we grow ambitious and aspire to define the exact content liberty must have for other men, we may be driven to the premature conclusion that liberty is but a provincial ideal, that other men do not want liberty. It might be more circumspect to conclude that what they do not want is our denial of their own liberty through an overrecommendation of ours. Presumption is always weak even when

offered as liberty; it is weak because it nurtures prowess in defense against itself.

An experience Americans had as military governors in Lampedusa during the Second World War will illustrate, effectively if lightly, this most important point. From a historian's account of the incident I glean these segments of the story:

Sergeant Calabi . . . urged the Lampedusans to embrace the four freedoms and to cease defecating in the public highway. . . . A delegation waited on him, saying substantially: "What good are these four freedoms which we never heard of before, if you deny us a freedom we have always known—yes, and our fathers before us—and cherished. . . ." The Sergeant scratched his head and finally said: "Well, never mind about the other freedoms for awhile—you just go away and don't commit nuisances in the piazza. . . ." Assembling then in the piazza, with one accord they struck a blow for freedom!

Liberty has its strength in the desire of all men to maintain their way of life or, if they change it, in their desire to change it in their own good time and for their own good, or bad, reasons. The form of our ideal of liberty is very strong; its content is weak when prematurely extrapolated. If the extrapolation can await the maturation of demand, then even our freedom of thought, speech, and conscience may at last make its own irresistible appeals. The Four Freedoms, to take only one formulation, must expand or contract upon demand if our domestic strength is to become strong propagandawise.

The strength of freedom as an ideal rests upon endless patience. It is facilitated by economic means circumspectly applied. It may be conditioned on military conquest, as in Japan. It grew to be an old story, the one which I heard in Japan from many intellec-

tuals, and it ran on this wise: "We once thought your superiority lay in science, and so we imitated your scientific prowess, both pure and technological. We did well but not well enough. We now think that we mislocated your strength. There is something in what you call democracy which we do not well understand but which we suspect constitutes your strength. Your horizontal society seems stronger than our vertical type of organization: more resourceful, more resilient, more dependable under stress." This suspicion is justified, if our own faith be well founded. But endless patience is required to mature suspicion into faith.

THE IDEAL OF FRATERNITY

As liberty is American fact extrapolated, so the ideal of fraternity, or brotherhood, has also its solid foundation in American life. In solitude imagination invents society; and when pioneers came together on their one free day—Sunday—or on other co-operative occasions, they really felt close to one another. Why not extend such occasional satisfaction to all days and then never be lonely again? Heaven operated as eternal insurance against solitude and loneliness. But it was extrapolation of deeply felt experience on earth.

It is true that fraternity has never received in America an equal emphasis with liberty. "Give me liberty or give me death"; but give me fraternity or make me sad! Liberty is for six days; fraternity is for Sunday. Even on Sunday the pioneers showed themselves quite particular on creedal grounds as to whom they called their brothers. Though diminished in America, nevertheless fraternity has been ideally required and has been institutionally provided for. The separation of church and state was intended to guarantee

IDEOLOGICAL STRENGTH AND WEAKNESS OF THE AMERICAN IDEAL

freedom of the church to cultivate brotherliness in its own way; it was intended too to guarantee that the fraternity resulting should be a fraternity of the free. Such separation yields brotherhood(s) of the like-minded rather than the formal bond found in established churches. Citizenship furnishes the only formal bond of brotherliness required by democracy.

Both liberty and fraternity are goods—each a good when taken alone; but both, when taken together, are sometimes an evil, for they do not always work amicably together. There are those who think the two ideals genuinely incompatible. Certainly at times they require mediation at the crossroads of life if they are not to diminish one another. There is a third democratic ideal, to which we now come, an ideal mediatory in function.

THE IDEAL OF EQUALITY

It is when we come to the third of the democratic ideals, equality, that we seem to pass from ideals honorifically pronounced to ideology dishonorifically intoned. This distinction does not maximize or even manifest itself all at once, nor does it remain firm. There is a sense in which the ideal of equality is as concretely based as is that of liberty. That sense has to do with its function in bridging the gap between the other two historic ideals of democracy.

It is equality that saves liberty from turning into license by emphasizing consideration for others as of its outer nature. It is equality that saves fraternity from turning into fanaticism by emphasizing freedom as the true environment of fraternalism. Without equality, fraternity too turns into its opposite, leaving liquidation as the limit of a love that is required by law.

It is, however, when we come out of this triune confusion to stand alone that it is the ideal to an ideology. It does not mean, and indeed has at times represented, just the confusion of judgments of value and judgments of fact, to which confusion the term ideology is frequently assimilated in our time (for example, the giving of "good" rather than of "real" reasons).

All Americans believe in liberty, and all believe in fraternity; not all believe in both at the same time. No Americans, perhaps, believe in equality, other than as it is defined by liberty or fraternity. Equality seems to lack the kinesthetic base possessed by the other two democratic ideals: nobody ever feels himself to be just equal to another. Let us, therefore, investigate further as to what is the relation of the ideal and the ideological in the American doctrine of equality.

Equality as a catalyst

Equality clearly has a function in that, as we have seen, it saves liberty from license. License is primarily the appropriation of something for oneself at the expense of someone else. We hardly brand ourselves as licentious; others it is who say that we have misused our liberty when we have trespassed on theirs. As a virtue, then, it is not liberty that men continually and justly demand; more precisely, it is equal liberty. Without this qualification, liberty is always in danger of sliding into excess. Acceptance of the limitation thus prescribed in the name of equality is the surest safeguard against license. So deeply is this so that the liberty ideal advances to accept equality in its normal formulation rather than exposing itself to constant correction. Such accommodation is the only way ideality has to prevent war among its

members. Liberty thus matures as equalized access to the benefits, and indeed under democratic discipline to the burdens, of common life.

True also it is, on the other hand, that the equality concept saves fraternity from fanaticism. The loving-kindness of liquidation of little brothers by Big Brother is a familiar outcome of insistence upon unmediated brotherhood as an ultimate ideal. It is not fraternity in its naked gregariousness that civilized men want—that is to say, not a fraternity of slaves or of men cowering in the concentration camp. The brotherhood we want is a fraternity of men who are equally free to accept or to reject our company. Without the protection of such qualification against mutual encroachment, brotherhood would spell constant intervention by earnest “do-gooders.” Without equal access to means of self-development, fraternity would be a poor thing indeed; it would be odiousness anointed with the unction of presumption. Free men who are equalized as to benefits and are not unequalized as to burdens—they alone are brothers in any sense that is honorific. Freedom makes brotherhood tolerable, and equality makes it possible for civilized men.

Equality and the birth of “ideology”

This is sufficient to suggest with what strategy ideals must be handled to prevent their occasioning the most unideal outcome. It is thus that idealism escapes ideology. But the illustrations which we have used face us now with a predicament, the central predicament indeed of all personal development and the keystone of our national destiny. Our classic temple of justice, housing the Supreme Court at Washington, has over it graven in stone this maxim: “Equal justice under law.” That emphasizes our thesis concerning equality

more than will appear at first glance. Justice enshrines the root word “ius” which itself connotes “equality,” and law is addressed to equal treatment of all who come under it. So the maxim comes close to saying “equal equality under equality.” The etymological pleonasm, not uncommon wherever men try to articulate first things, but emphasizes the predicament which arises from the fact—the simplest of all facts—that men are *not* equal.

Actual inequality would be less troublesome if only men could eventually be made equal, which Rousseau considered the objective of legislation. Next, however, to the certainty that men are not equal is the further fact that nobody can make and keep men equal. That impossibility might, in turn, be palliated if we could say with elemental sincerity that men *ought* to be equal. Even the obligation itself, however, is more than doubtful. Ought is debilitated to a dogma when applied to what is not and can never be.

Eschewing, therefore, such debilitation, let us merely fall back upon, and set out from, the simple observation that the more concrete and commonsensical we make the test, the more certain it becomes that no two men are equal, ever have been equal, or ever will be equal. Not in strength certainly, or in speed or in virtue or in efficiency or in character or even in imagination. In no specifiable regard whatever are men equal. “There is only one time,” writes Lillian Smith in *Killers of the Dream*, “when men are equal and that is when they are dead.” How, without reflecting on Deity, can we even say that men are equal “before God” when they are as a matter of fact not equal at all? What then does the equality ideal mean, so as not to commit us to substitute judgments of value for judgments of fact? Wherein does it get its demo-

cratic centrality and significance? How are we to save the strength of the equality ideal, in short, from the weakness of egalitarian ideology?

Equality to discover inequalities

As an ideal, equality is not a substantive claim; it is only a methodological device. And that to what end? To the end indeed of its very opposite. Equality, to put the matter bluntly, is a device to ascertain the *inequalities* of men. Men are unequal, but not importantly unequal, because of color or lineage or language or religion. Differential treatment based upon these otiose differences is unfruitful and unjust. Only ideology will hold that it is otherwise. But men must be treated equally, especially early in life; that is, they must be given a chance to show the meaningful differences that are in them.

This chance should be an equal chance, as in education; it should indeed be as far as possible the *same* chance in order to disclose the real differences. If men are not given an equal chance to develop their differences, many of the differences will never appear. They will in fact disappear, only to function later as subconscious mischief—to poison all social relations with aggression. If men are given the chance, then mankind can abide the inequalities thus disclosed.

Indeed, two magnificent benefits flow from clear disclosure of genuine inequalities among men. The one benefit is negative, the other positive.

Acceptance of inequality

The negative one is the transformation of the aggressiveness of men, which flows naturally enough from the universal observation that men who never get enough of the assets, and always get too much of the debits, seem to themselves to be more deserving. Such

discrepancy clearly appears to Everyman as unjust. And the only proper response to injustice is resentment to begin with, and aggression to end with. It is hard to build a social order upon such psychological foundation, and it is impossible to maintain in peace a social order so founded.

Such is the very foundation in subconsciousness upon which communism builds. The class struggle exists to foment and to exploit precisely this adverse feeling. Men take out on the "system" wholesale the malevolence which they feel but which they cannot in detail discharge in action. The resulting "struggle" is the writing large of what men cannot spell out in the small. On the other hand, if a man has to acknowledge—and there is a grain of candor in every man—that he had his chance to develop what was in him, and either would not develop it or did not have the wherewithal to try, he is readied to accept his lot and to make the best rather than the worst out of his situation. Who has not known men to say that they too had their chance but did not exploit it, and so to admit that, if they have any complaint coming, the complaint is against themselves? Only concrete equality of opportunity grounds such feeling of wholesome acceptance, but it does do precisely that. As Leonardo da Vinci copied into his notebook:

Let him who cannot do the thing he would
Still do what he can. To will is foolish
Where there's no power to do. That man
is wise

Who, if he cannot, does not wish he could.

There is this inchoate prudence in all men, the prudence of final acceptance.

Such self-assessment is the beginning of personal responsibility, and personal responsibility is the beginning of wise acceptance. It is of enormous advantage to social order, a very propaedeutic

to self-respect, that men should feel in themselves the will to take constructively what befalls them rather than to project it upon other men as envy or upon the "system" as rebellion. This is the first; the negative, benefit of functional equality, the equality of opportunity.

It is recognition of this which leads Lillian Smith to declare:

We in America—and men across the earth—have trapped ourselves with that word equality, which is inapplicable to the *genus* man. I wish we would forget it. Stop its use in our country. Let the Communists have it. It isn't fit for men who fling their dreams across the skies. It is fit only for a leveling down of mankind. . . .

Democracy's virtue and strength lie in its willingness to make room for all men however different they are and to provide full opportunity for their growth, permitting each to develop along the lines of his potentialities as an individual. Democracy gives a man freedom to grow, not freedom to keep others from growing. . . .

Equality is a word, therefore, that has nothing to do with life. But *freedom* glows with life. *Dignity* is a word that gives life worth. *Acceptance* gives life its warmth. *Growth* is life itself. These are words that are made for democratic tongues to say.¹

Equal opportunity to develop unequal talents

Stating the same moral with less linguistic radicalism, the other benefit of strategic equality, the positive, is even greater than the negative virtue. It is the exploitation by themselves of whatever talents men have. There never exists too much talent in any for the good of all. The final, the creative, the self-sustaining joy is to let one's

energies out to the full, to test one's powers to the limit, whatever that may prove to be. The fact that the limit is different in different men is not relevant, save as envy makes it relevant. And if that envy be allayed, as indicated, then each makes the best of his talents, whatever those talents be. The only way to find out what the talents are is to have the chance to discover them, the encouragement to disclose them, and the prompting to fulfill them. Society would grow narrow and co-operation stale if all men had the same capacities. It is the very fact of unequal endowment that makes variety possible, and the further fact of full and joyous realization that makes the human venture robust.

The self-sufficient joy of fulfillment in a democratic society prevents those who are superior in ability from gloating over the lot of those less endowed. This same fulfillment prevents those of inferior ability from apology and resentment toward those who are more fully equipped. And the key to both alike is, it now appears, the methodological device of equal treatment for the sake of unequal performance.

It is just here that there shines for all its worth the American emphasis upon universal and free education. It is in the notion that education is for all, and for all upon the same terms and to the same end, that America has differed, and does differ, most radically from other nations. The conception of education is not new. It was John Milton who described education as "that which fits a man to perform justly, skillfully and magnanimously all the offices, both private and public, of peace and war." But it has remained for America to insist, as a national policy, that what belongs to any child belongs to all children, for the good of all.

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While America has not succeeded to the full in this policy, it is magnificent even to aim at what elsewhere has not been clearly conceived. American insistence on such an educational policy has more than all else dented the "color line" in America. Even segregation is judicially possible in American education only upon the showing of equal opportunity. Such a condition not only weakens segregation but slowly abates all distinction based on color. That judicial concession portends this humane conclusion.

INEQUALITY A FACTOR IN DEMOCRACY

What is needed to complete the story of American equality is the further observation that hardly anybody is superior in all regards, or inferior throughout. A democratic society proceeds upon the assumption, verifiable enough in observation, that one who is inferior in physical strength may be superior in courage, or one who is inferior in imagination may be superior in perseverance. This makes it possible for each to get what he craves, an earned deference for his own demonstrated superiority; and it makes it possible for society to get what all require, the unearned increment of variety.

Democratic leadership, therefore, with the deference which is its due, is not a matter of all or none. Each man may lead in that wherein he surpasses, and each must follow out of deference to what he lacks. And as a resultant at any given time each man and citizen stands on his own anthill of superiority, with a perspective which begins with modest self-assessment and ends with an unenvious, joyous view of the functional whole. The joy of self-realization mingles thus with the greater joy of participation in a society whose final co-operation takes the form of dynamic competition. It is the fulfillment of

Goethe's dream, from the summit of human felicity:

.....could I but stand
With a free people, and upon free land!
Then might I to such moment of delight
Say, "Linger with me, thou that art so
bright!"

The strategy of equality, not unlike the mythus through which every great ideal functions, is an extension of factuality, not its outright denial. We begin where we are. It is the business of imagination to supplement what is given. Every ideal is a precipitate of imagination. Since where we are is always unsatisfactory to an animal like man, whose reach exceeds his grasp, imagination is beset with the tendency to substitute the best for the better, and thus to despoil both, by creating an ideology where only concrete ideals suffice. Supplementation, not substitution, is the genius of imaginative projection. Whoever accepts this as the law of ideality is prepared to treat every ideal as partly a methodological device, a device to enhance rather than to depreciate that which is "given" in the economy of nature.

Not so to treat every ideal is to find in the insistence upon a chosen ideal the denial of ideals that are coeval with it and co-honorable. As equality has been made to mediate and thus to allay the strife between liberty and fraternity, fulfilling both through its methodological fecundity, so every ideal can at once reduce the strife of the system of which it is a part and fulfill the potency of what it itself projects.

Every idealist knows "the simplicity which lies this side of the complex," though not every idealist can resist the temptation to ideology which this simplicity constitutes. It is the mission of dynamic idealism, the final strength of the American position, to know at length

"the simplicity which lies the other side of the complex." To know this simplicity is the goal of aspiration, but such knowledge is arrived at by a strategy which only the magnanimous ever discover and which only the patient can sustain. Whoever can discover it, and can abide the discovery, transforms his fate into a freedom which is self-sustaining, self-corrective, and self-fulfilling.

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freedom of the church to cultivate brotherliness in its own way; it was intended too to guarantee that the fraternity resulting should be a fraternity of the free. Such separation yields brotherhood(s) of the like-minded rather than the formal bond found in established churches. Citizenship furnishes the only formal bond of brotherliness required by democracy.

Both liberty and fraternity are goods—each a good when taken alone; but both, when taken together, are sometimes an evil, for they do not always work amicably together. There are those who think the two ideals genuinely incompatible. Certainly at times they require mediation at the crossroads of life if they are not to diminish one another. There is a third democratic ideal, to which we now come, an ideal mediatory in function.

THE IDEAL OF EQUALITY

It is when we come to the third of the democratic ideals, equality, that we seem to pass from ideals honorifically pronounced to ideology dishonorifically intoned. This distinction does not maximize or even manifest itself all at once, nor does it remain firm. There is a sense in which the ideal of equality is as concretely based as is that of liberty. That sense has to do with its function in bridging the gap between the other two historic ideals of democracy.

It is equality that saves liberty from turning into license by emphasizing consideration for others as of its outer nature. It is equality that saves fraternity from turning into fanaticism by emphasizing freedom as the true environment of fraternalism. Without equality, fraternity too turns into its opposite, leaving liquidation as the limit of a love that is required by law.

It is, however, when equality is taken out of this triune context and is made to stand alone that it passes from an ideal to an ideology. It can come to mean, and indeed has at times come to represent, just *the confusion between judgments of value and judgments of fact*, to which confusion the term ideology is frequently assimilated in our time (for example, the giving of "good" rather than of "real" reasons).

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The Military Aid Program

By STANLEY L. SCOTT

BY his message of May 24, 1951, the President recommended to the Congress a Mutual Security Program as "another vital step along the road to real security and lasting peace." This program recognizes that our national security depends upon the security of all the free nations of the world, and embodies proposals for military, economic, and technical assistance to these nations so as to enable them better to make their national contributions to the collective security of the free world.

EXISTING PROGRAMS

The mutual security legislation is the natural outgrowth of the assistance programs of the United States in the postwar world. When the real postwar intentions of the Kremlin Politburo became evident through the Communist guerrilla warfare in Greece and through Moscow pressure on Turkey in connection with the Straits, the Kars-Ardahan, and other questions, President Truman in March 1947 enunciated the Truman Doctrine of "support to free peoples who are resisting attempted subjugation." The programs provided in 1947 and 1948 for economic and military support of these countries proved to be remarkably successful. Their marked success was early visible proof that with assistance from the United States, such countries could withstand Soviet pressures.

Elsewhere in Europe, the country economies were so weakened by the destruction and havoc wreaked upon them by World War II that there was little prospect for early recovery without assistance from the United States. The European Recovery Program, commonly

called the Marshall plan, was designed to assist Europe to establish economic stability. As the Marshall plan operated, however, the peace of the world was once again threatened by internal subversion and external aggression. In 1949 the Mutual Defense Assistance Program was instituted through the enactment of the Mutual Defense Assistance Act, which provided military aid to our partners in collective security. It was clearly enunciated in this legislation that economic recovery "must be given clear priority."

These programs, together with Point Four or the International Development Program, have functioned side by side. Now, in 1951, we have gone far toward placing the economies of our partners on a sound basis. Unfortunately, however, the menace of aggression has grown, and this has been recognized in the President's message. The proposed Mutual Security Program would go beyond the Mutual Defense Assistance Program and be designed

to strengthen the individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of these countries in the United Nations system for collective security.

Economic recovery having been achieved in the main (although the degree of recovery varies from country to country), economic assistance is no longer to be accorded a clear priority. Rather, it now has a supporting function in recognition of the fact that only a nation with a strong economy can

support its share of the burden of building the defenses of the area in which it is located, and can maintain a will to fight on the part of its people, who thus have a stake in the present and a hope for the future.

Congress now has before it this new program which combines in a single piece of legislation all types of assistance which can and should be furnished by the United States to enable the free world to exist. In view of the increased role which the military type of assistance is to play, it becomes pertinent to examine the nature and the achievements of the Mutual Defense Assistance Program which will shortly become the Mutual Security Program.

THE SECURITY PROBLEM

In its broad aspects, the main security problem facing the free countries of the world remains unchanged.

Until November 1950, the postwar Communist military expansion had taken place through national rebel forces such as the Greek guerrillas, the North Koreans, the Viet Minh, and the Huk-balahaps. Chinese Communist intervention in Korea under joint Sino-Soviet direction demonstrated that to achieve a desired objective, the Communist leadership would employ whatever force was necessary. The occupation of Tibet is the most recent confirmation of Communist intentions.

During the past year, the over-all Soviet military capabilities have increased materially. Although the Soviet Army maintained about constant its strength of 2.5 million and 175 divisions, re-equipment and intensive training have raised its level of combat efficiency. The Soviet Navy and Air Force have been materially strengthened through the addition of quantities of advanced-type submarines (incorporating the features of the German type

XXI and its "Snorkel") and fighter and bomber aircraft. Atomic weapons are being readied at a feverish pace.

The most significant gains in military strength have occurred in the European satellite armies, which have added a number of divisions and increased their numerical strength about 25 per cent. Also, extensive training and major re-equipment with Soviet matériel have converted into excellent fighting divisions units which a year ago were relatively ineffective. Jet aircraft are being introduced into the satellite air forces in increasing quantities.

BUILDING COLLECTIVE SELF-DEFENSE

To achieve security in Europe, there must be combat-ready forces, military production capabilities, and the will to resist. Substantial strides are being made in all three areas.

The North Atlantic Treaty Organization (NATO) is striving for maximum strength and efficiency through the creation of balanced collective forces based on an integrated plan for defense of the NATO area. General Eisenhower, as the Supreme Allied Commander, Europe (SACEUR), has already assumed command of the initial country contributions of these forces. The main element of these is now the troops of the occupying powers in Germany and Austria. Contributions made by other NATO countries, plus the early build-up of the American component to six divisions, will provide a significant force and visible proof of the determination of the NATO members to provide the additional units required by the strategic plans which have already been approved. Concurrently, the subordinate command structure under SACEUR is fleshing itself out to operational readiness, and the provision of the additional forces needed is under urgent consideration by the NATO

countries. We expect the deterrent effect of the present Western superiority in atomic weapons to provide the time for this rearmament.

The equipping of the forces needed by NATO defense plans is a task beyond the capacity of western Europe because of both the size of the task and the time available. European military production is gradually being stepped up, but it is unable to do all of the formidable task which needs to be done in the next few years. The Mutual Defense Assistance Program (MDAP), the strong left arm of American foreign policy, is undertaking to meet the most urgent of the remaining deficiencies.

The main ingredients of the will to resist are belief in the cause and confidence that strength adequate to do the job can be created. The diminishing strength of Communist party groups and the general readiness to accept the needed heavier rearmament programs give evidence of the upsurge of western European morale.

"END-ITEM" GRANT PROGRAMS

Military assistance under the Mutual Defense Assistance Act takes several forms, of which the most important is the supply, on a grant basis, of military "hardware," or "end-items," ready for issue to troops. The types, the quantities, and the priorities of such deliveries to each recipient country are directly related to the forces contributed under NATO defense plans and to the tasks assigned those forces. For non-NATO countries, the grants are directly related to the security needs of each country's role in the defense against Communist expansion, and to United States national and military policy.

The development each year of the list of "hardware" to be provided each country is one of the most complex of the administrative operations under

MDAP. This list is prepared by the receiving country on the basis of guidance furnished by the Military Assistance Advisory Group (MAAG) in the country. The country is told:

1. Which of the front-line combat forces and essential service troops are eligible to be equipped and which rear-area defense or service troops are not.

2. What equipment shortages, such as clothing, administrative items, and other "soft goods," must be supplied by the country.

3. That the equipment needs for a troop unit to be activated can be included only if the country has provided the necessary parallel action in its own budget, personnel procurement, and similar plans.

4. What types of equipment are appropriate or inappropriate in the light of the role of the forces to be equipped, or of the technical and physical capacity of the forces to maintain and effectively utilize the material.

Each country's equipment needs are thoroughly screened on the basis of these and other criteria by the MAAG, and, in Europe, additionally by the Joint American Military Advisory Group (JAMAG) which co-ordinates the lists on a NATO-wide basis. After review in the Department of Defense, a segment of the country list appropriate to the country priority and to its own undertakings is adjusted, first within the framework of the world-wide program requested by the President, and second within the framework of the program authorized and appropriated for by the Congress. After review of each program in the Department of State for consistency with United States foreign policy, the list is forwarded to the appropriate Service Department for shipment from stocks or from the production pipe line, or for procurement action. A final control stops shipment of equipment if the

unit for which it was intended has not been activated.

AID TO INCREASE COUNTRY MILITARY PRODUCTION

The fiscal year 1950 and 1951 MDA programs each included appropriations (totaling about \$500 million) to assist in increasing European military production through Additional Military Production (AMP) projects. Each of these projects was expected to father a production project with an end-item value many times the value of the American dollar contribution. The concept of AMP was that the fractional American contribution would, through elimination of some bottlenecks such as lack of materials or essential machine tools, permit the utilization of otherwise idle European production capacities. Each project was screened in considerable detail in terms of military suitability, technical feasibility, availability of patents and licenses, availability of labor, technical skills, and production resources, and other factors.

This screening and approval process has proved to be quite involved. For this and other reasons, AMP has not proved to be a success. The assistance granted as of May 31, 1951 totaled about \$26 million having an anticipated production value of \$321 million. Although the ratio of dollar input to output is good, it is evident, when the total problem of meeting the equipment deficiencies of the required NATO forces is considered, that there is much left to be done.

This and other United States efforts to spur European production have so far not achieved the magnitude of production hoped for. There is some feeling among United States planners that the end-item equipment programs are encouraging the countries to await sup-

ply of their deficiencies through the grant programs rather than through increasing their own military production. New policies designed to encourage increased production are continually under study; and during the last quarter of fiscal 1951, aid allocations amounting to about \$144 million were made on the basis of broad production program undertakings, rather than on an individual project basis. It is estimated that this assistance will produce military equipment valued at about \$5,800 million.

Under the proposed fiscal 1952 legislation, grants would be made in accordance with this new policy. Programs would be generated through Economic Cooperation Administration machinery, with Defense Department review of military aspects. It is hoped, too, that the scope of this assistance can be considerably expanded through simplifying approval procedures.

TRAINING AND TECHNICAL ASSISTANCE

MDAP sees its task to be not merely the supplying of equipment deficiencies, but also the development of the units furnished with such equipment into combat-ready forces. For this reason, training programs are a vital element of MDAP. Training is provided not only in proper operation and maintenance of matériel, but also in tactical doctrine for its correct employment. Independent of matériel programs, country personnel are trained in United States service schools in general operational, logistical, and staff functions pertaining to all segments and all levels of field forces.

MDAP training services usually take one of four forms: formal courses of instruction in United States service schools in the United States or abroad; mobile training teams giving on-the-ground in-

struction; technical assistance by industry representatives in the operation and maintenance of technically complex equipment; or the provision of training films, manuals, mock-ups, and similar materials. A less formal, but very important, aspect of MDAP training is the advisory assistance given country authorities in matters such as preparation of training programs, establishment of more efficient supply accounting procedures, and development of improved personnel systems.

Among the principal administrative objectives of training programs is the selection of individuals with a high instructor potential, so that they may be in turn used extensively in country training programs. A second is to time-phase the training of personnel in correct relation to the deliveries of the matériel to troops.

The scope of the training activities is apparent in the fact that as of June 30, 1951, approximately 14,000 individuals had completed or were undergoing formal courses, and 126 mobile training teams had completed or were engaged in training tasks. These training accomplishments have resulted in the training of additional thousands in the recipient countries.

REIMBURSABLE AID

The MDA Act authorizes eligible nations to purchase equipment from the United States Government. The eligible nations are: those already eligible for grant aid; those joined with the United States in a "collective defense and regional arrangement," such as the North Atlantic Treaty or the Inter-American Treaty of Reciprocal Assistance; and any other nation not eligible to join a collective defense and regional arrangement with the United States, but whose ability to defend itself or to participate

in the defense of the area of which it is a part is important to the security of the United States. Under this last heading, Australia, Saudi Arabia, and the Union of South Africa have been declared eligible. Requests for purchase are screened in terms of the United States military, political, and economic objectives in the area in which the requesting nation is located.

This phase of MDAP is of particular importance to Canada, which, following her World War II policy, pays in full for all equipment received from the United States. Canada is now in the process of completely replacing the equipment of her Army units with United States equipment. This program is permitting Canada to make an equipment contribution to NATO rearmament through provision of the replaced British-type matériel on a grant basis to NAT countries requesting it.

This aspect of MDAP is also important to Latin American countries, which are now able to purchase maintenance spare parts and ammunition for United States equipment acquired in World War II. It has also permitted these countries to increase their capabilities for contribution to hemispheric defense by purchase of additional matériel. For example, Argentina, Brazil, and Chile have each purchased two light cruisers under this authority.

As of August 31, 1951 a total of 787 requests for purchases received from 48 foreign governments had been approved or withdrawn or were still under consideration. Of the total requests received, 370 had been funded with a value of \$250.6 million, which represents perhaps 26 per cent of the value of all the requests mentioned.

The reimbursable aid provision will undoubtedly play an increasingly important role in the future. As the scale of grant programs is reduced, countries

will find it necessary to augment their holdings of United States matériel, and to obtain spare parts and ammunition for these holdings, through purchases.

WASHINGTON ORGANIZATION FOR MDAP

North Korean aggression and Chinese Communist intervention in Korea confirmed the need for increased integration and more direct application of United States assistance programs of all types to the increasingly grave security problem facing the free nations. By the beginning of 1951 a more tightly knit co-ordination for this purpose had been established in Washington.

On December 19, 1950 the President approved an interdepartmental agreement which provided for the assignment, within each agency concerned, of all matters pertaining to international security affairs to a top official. The agencies concerned are the Departments of State, the Treasury, and Defense, the Economic Cooperation Administration, and the Office of the Special Assistant to the President. These officers, designated by and directly responsible to the heads of their agencies, formed the International Security Affairs Committee (ISAC). The Department of State member, the Director of International Security Affairs, was made responsible for interdepartmental co-ordination of such affairs, acting on behalf of the Secretary of State and exercising his responsibility for the government as a whole.

ISAC has established five working subcommittees as follows: the Foreign Aid Committee (FAC), responsible for matters pertaining to direct military aid; the Political-Military Group (PMG), for international security matters such as NATO; the Defense Production Group (DPG) for European military

production assistance; the Financial and Economic Group (FEG) for the financial and economic aspects of European security problems; and the Public Information Committee (PIC) for fostering the European will to resist and supporting the necessary information services.

THE U. S. FIELD ORGANIZATION

On the country level, the pattern of MDAP administration has not changed. A Military Assistance Advisory Group (MAAG) is responsible to the Ambassador for broad policy matters, and to military superiors for technical administration of the aid program in accordance with military objectives. In close co-ordination with country authorities, the MAAG works out the material needs of the country forces, recommends priorities, sees to the provision of essential training, and observes receipt, distribution, utilization, and maintenance of equipment received. MAAG functions may vary somewhat between countries, depending on the country requirements. They may include a function as broad as that of furnishing training assistance to units as far down as the battalion level. In European countries, the ECA mission processes and administers Additional Military Production assistance, submitting the projects to the MAAG for review of the military aspects.

The chiefs of the MAAG and the ECA mission, with the Ambassador and under his leadership, form a team responsible for co-ordination of all aspects of United States assistance to the country rearmament program.

In Europe, a United States regional body, the European Coordinating Committee (ECC), has been set up to co-ordinate United States assistance activities and integrate the political, economic, and production aspects of United

States participation in NATO. The ECC comprises the United States member of the Council of Deputies, the ECA Special Representative in Europe, and the United States Military Representative in Europe (at present the Commander in Chief, United States Forces, Europe). The United States representatives on the NATO Defense Production Board and the Finance and Economic Board are closely associated with ECC, and effective liaison is also maintained between ECC and the United States element in SHAPE (Supreme Headquarters, Allied Powers, Europe).

On the regional level, the co-ordination of the military aid programs for NATO countries is accomplished through the Joint American Military Advisory Group (JAMAG), which is the regional staff agency for the United States Military Representative in Europe.

Under the fiscal 1952 concept of pointing the bulk of United States assistance directly or indirectly at rearmament, the tight integration of the aid programs through ECC will be an increasingly important factor.

THE BILATERAL AGREEMENT

Under the provisions of the MDA Act, grant aid is extended to an eligible country only after the United States receives a request for assistance, and a bilateral agreement is signed. The original agreements with recipient countries, most of which were signed in January 1950, have continued valid for subsequent MDAP authorizations. They are all substantially the same.

The principal provisions of each bilateral agreement are as follows: agreement to use equipment received only in furtherance of the purposes of the MDA Act; restrictions against retransfer without United States agreement; agreement to undertake security measures needed

for classified information; and agreement to receive a MAAG.

Although not required by the MDA Act, such a bilateral agreement is, as a matter of policy, entered into with each country which receives reimbursable assistance.

EXISTING MDA PROGRAMS

By January 1, 1951, appropriations for MDAP had been made for each of fiscal years 1950 and 1951, and, because of the need for faster rearmament after North Korean aggression, a supplemental appropriation for fiscal 1951. The amounts appropriated are as follows:

FY 1950	\$1,314,010,000
FY 1951 Regular	1,222,500,000
FY 1951 Supplemental	4,000,000,000
Total	\$6,536,510,000

The amounts which are being utilized for direct grant assistance (matériel and training; the remaining amounts are for AMP and administrative expenses) are, by title:

Title I	(European NATO countries)	\$5,128,982,696
Title II	(Greece, Turkey, and Iran)	538,357,533
Title III	(Philippines, Korea, Indochina, Indonesia, Formosa, Thailand, Burma)	519,969,016
Total		\$6,187,309,245

In terms of the major items of equipment which will ultimately be shipped under the above programs, the United States will supply: 12,300 tanks and combat vehicles; 3,725 aircraft; 380 vessels; 13,100 artillery and naval guns; 82,000 motor transport vehicles. The delivery of all the material under these programs will involve the transportation of approximately five million measurement tons.

ACCOMPLISHMENTS

Under the initial MDA programs, it was possible to make deliveries of equipment from excess stocks preserved from World War II. When the excess cupboard grew bare, it became necessary to draw upon new production, which was at the same time attempting to meet the increased requirements for American forces. As production shifts into high gear, the current substantial rate of deliveries will become a mighty outpouring from the arsenal of democracy. By June 30, 1951, deliveries totaling 1.6 million measurement tons had been made, and included: 4,480 tanks and combat vehicles; 906 aircraft; 188 vessels; 2,930 artillery and naval guns; 18,800 motor transport vehicles.

In terms of armed forces, the following accomplishments during the period October 1, 1950 to March 31, 1951 are typical of those which have been made possible by MDAP. The Belgian Army has been able to activate eight new battalions. The ability of Denmark to arm its reserves has increased by approximately 30 per cent. France has under way the re-equipment of five divisions and the activation of five additional divisions to be ready by the end of 1951. Furthermore, a number of new antiaircraft battalions have been activated. Similar accomplishments can be cited for the other MDAP recipients.

That country efforts and American assistance are increasing the will of the European peoples to resist Communist aggression from without or boring from within is evidenced in part by the substantial losses in Communist party strengths which have occurred. These range from a 30 per cent loss in France between 1946 and 1950 and a 31 per cent loss in Italy between 1948 and 1950 to 65 and 63 per cent respectively in Belgium and Denmark between 1946 and 1950.

THE MUTUAL SECURITY PROGRAM
FOR FISCAL YEAR 1952

Chinese Communist aggression in Korea and the continued expansion of Communist world-wide military capabilities indicate that the free countries must accelerate provision of the deterrent power which can replace atomic superiority should the latter be lost.

The solution recommended to Congress by the President calls, in part, for increased amounts of grant aid to meet some of the greater demands for equipment at an accelerated schedule of force activations. The solution also calls for diversion of part of United States economic aid from economic recovery, which has now been substantially achieved, to direct assistance of country military production programs. The balance of the economic aid would be of a more general nature, but devoted to those segments of the country economy most vital to the defense effort. The proposed 1952 programs are as follows (in millions of dollars):

	Military	Economic
Europe	\$5,293	\$1,675
Near East and North Africa	415	125
Asia	555	375
Latin America	40	22
Totals	\$6,303	\$2,197

Except for the accelerated pace, military aid programs for European countries will have the same general character as heretofore.

THE 1952 PROGRAM IN OTHER AREAS

In the Near East and North Africa area, the military program is designed mainly for the continuation of assistance under the existing Greek, Turkish, and Iranian programs. This assistance will increase the capabilities of these countries to defeat guerrilla activities

inside their borders (thus far not a problem in Turkey) and to repel or delay attack from outside their borders. Should the need arise, funds might also be used for grant aid to the Arab states and Israel.

In Southeast Asia, free nations forces are currently engaged in countering Communist expansion in several countries, and require material aid in support of their efforts. In Indochina, French forces and the newly developing forces of the Associated States are engaged in full combat with the Communist forces of the Viet Minh, aided from Communist China. In the Philippines, government forces are attempting to eliminate the terroristic activities of the Hukbalahaps. The 1952 program is intended to aid these operations and otherwise to strengthen anti-Communist forces in Southeast Asia.

Increasing Soviet military capabilities, especially in the field of submarine operations, make it essential that improvements be made in the defenses of the Western Hemisphere. The Latin American states can make valuable contributions to those defenses, given assistance in rehabilitating United States matériel on hand and in meeting important deficiencies. Grant aid for these purposes to countries willing and able to provide forces for hemispheric defense tasks will benefit the United States in releasing

forces from such tasks for use elsewhere.

THE PROSPECT

That our rearmament programs will put a strain on the resources of the United States and the other free nations is obvious. Yet the scale of this effort is far short of that which would be required by the outbreak of a world conflict. The economic recovery achieved in the West, coupled with American assistance, should permit effective rearmament without jeopardizing the economic well-being of participating nations. And, unless estimates of Soviet intentions and capabilities alter materially, Americans will not find their way of life unbearably affected.

Until the Kremlin abandons its policy of aggressive imperialism, the only alternative to the present rearmament programs would be the blood, sweat, and tears of a third world war. In the face of that prospect, the West must quickly develop and maintain the necessary deterring and defensive military forces. Forces adequate to counter those which can be mustered by the totalitarian Communist states will require the collective effort of all the free nations. American military aid programs must, for the next few years, continue to be an essential part of that effort.

Major General Stanley L. Scott, Eng.D., Washington, D. C., as Director of the Office of Military Assistance, Department of Defense, from May 1950 directed and co-ordinated the military phase of the Mutual Defense Assistance Program. Commissioned a Second Lieutenant of Engineers in 1916, he has held a variety of troop and staff positions, and assignments in the Army river and harbor organization. He served in World Wars I and II, and was recently assigned to command the Engineer Center, Fort Belvoir, Virginia.

Point Four: The Maturing of a Policy

By HENRY GARLAND BENNETT

THE March 1950 issue of THE ANNALS, devoted entirely to the subject "Aiding Underdeveloped Areas Abroad," has always stood in my mind as a kind of Preparatory Commission Report. To all of us engaged in developing and administering the Point Four Program, it has served as a touchstone of sound analysis, provocative discussion, and very salutary needling.

The leading article began with the words, "Over a year has passed since President Truman announced his so-called Point Four Program . . .," and the foreword noted "the absence of accepted program plans and enabling legislation."

Now, over eighteen months later, we have programs, accepted and in operation. We have concrete plans and sound enabling legislation. Finally, we have a maturing philosophy to guide us in meeting our problems and creating our opportunities.

RÉSUMÉ OF DEVELOPMENTS

Since most readers of THE ANNALS are probably familiar with the milestones that have marked Point Four progress in the past eighteen months, I will recall them only briefly and then go on to discuss some of the ideas that are shaping our course.

In June 1950, just three months after the publication of the above-mentioned issue of THE ANNALS, the President approved the Act for International Development. In this historic act, the Congress affirmed our national interest in the freedom and in the economic and social progress of all peoples; declared it to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas; and

authorized the President to establish and administer bilateral programs of technical co-operation. The act defined the term "technical co-operation" as "the international exchange of technical knowledge and skills designed to contribute to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas." This act, then, constitutes the legal basis for what is known as the Point Four Program.

In August 1950 the Congress approved the first annual Point Four budget, which, together with funds appropriated under previous legislation, totaled some 35.7 million dollars. Out of this budget, our 13 million dollar contribution to multilateral technical assistance has enabled the United Nations to expand its work and undertake practical programs. On September 8 the President delegated to the Secretary of State the authority for implementing the Act for International Development. Soon after, the Technical Cooperation Administration was set up within the Department of State. On December first I assumed the duties of Administrator.

Meanwhile, the President had appointed a thirteen-member International Development Advisory Board, as provided in the act. Headed by Nelson A. Rockefeller, the Board first undertook a special assignment for the President, and issued a report, "Partners in Progress," on March 7, 1951.

Let us take a convenient milestone, June 30, 1951, the end of first fiscal year, and see where the program stood. On that date we were carrying on some 117 projects in 36 countries of Latin

America, Africa, and Asia, with the aid of 451 American field technicians. We had concluded General Point Four Agreements with 32 countries. We had established Joint Commissions (which will come in for further discussion) in 4 countries—Brazil, Paraguay, Liberia, and Iran. And we had entered into more than 50 contracts with private American organizations—universities, foundations, and business firms—which took responsibility for carrying out specific Point Four projects on our behalf.

These few facts and figures are the bare bones of the program as it stood last June. They give few clues as to what we were really up to in our work of technical co-operation. They take no account of the solid groundwork of previous activity which I assume is well known to readers of *THE ANNALS*.

Point Four co-operation is underway in practically every field of economic development. Forty-nine of our technicians are concerned with water, power, and mineral resources; others with transportation, public administration, housing, and social welfare. But the bulk of the work is concentrated in the three related fields of agriculture, health, and education. These, we believe, are the essential keys to productivity and progress.

MOTIVATION OF THE PROGRAM

With this introduction, I should like to explore some of the considerations that shape our thinking about Point Four. In this business of technical co-operation one learns a great deal about human nature. One of the conclusions I have reached is that a partnership has a good chance of success when each member understands the nature and the extent of his own interest, as well as that of his partner.

A story has been told about an

American diplomat who recently had an audience with a Middle Eastern potentate. The two men discussed for several hours the possibility of a joint enterprise in technical co-operation under the Point Four Program. Finally the potentate came out with a question which had apparently been on his mind throughout the discussion. "Why," he asked, "are you Americans willing to undertake this kind of program? It has obvious advantages for my country. But what exactly do you expect to get out of it?" To which the American made the mistake of replying, "My country wants nothing. We are wholly disinterested. We are motivated simply by a desire to be of service to you and your people."

At this point the interview ended. The potentate dismissed his visitor, and it was several weeks before the American was able to get another audience. This story—I cannot vouch for its authenticity—illustrates what can happen when we fail to recognize our self-interest in Point Four and to make the nature of our self-interest crystal clear to other peoples.

This is not an easy thing to do. It is sometimes simpler to go ahead and undertake a job that obviously needs doing than to analyze one's motives for doing it. However, in the case of Point Four the analysis is an integral part of the job; for unless we know why we are in this venture, we shall not gain the full confidence of the people of other lands with whom we seek to co-operate, many of whom have acquired a healthy skepticism about the motives of great powers.

If anyone should ask the growing number of Americans who have an opinion about Point Four, Why are we in the business of technical co-operation with the people of less developed regions? he would probably get a variety of answers.

Some Americans are attracted by the humanitarian element. They want our country to be in the forefront of the fight against poverty, disease, and ignorance, which President Truman called "the only war we seek." This urge to do battle with man's ancient enemies is deeply rooted in American tradition. In large part it inspired the work of our missionaries, the early Point Four pioneers who laid the foundations for our modern programs in many lands.

Some Americans see in Point Four a unique opportunity to expand international trade by developing new markets for our raw materials and manufactured goods and new sources of the goods and materials we need. The desire to broaden the general prosperity and make it more secure is another traditional American interest.

But our stake in Point Four transcends these two motives, important as they are. Even more important is our political interest which springs from a conviction that the best chance of peace and security is to be found in a community of self-governing, economically self-supporting peoples. But how can the practice of self-government grow or the exercise of personal freedom have much meaning where hunger, disease, and ignorance hold men captive? Point Four is an expression of our traditional respect for national independence, individual freedom, and self-reliance.

The police state is not the only form of tyranny that threatens the world today. We are building a strong defense against aggressive-minded dictators. But we already have the means to help mankind to free itself from hunger and widespread disease. The people with whom we are working through Point Four have the will to free themselves. Our joint effort is an act of faith on their part and ours, faith in the combined power of knowledge and freedom.

The fact that Point Four is bringing concrete benefits and a larger measure of freedom to great numbers of people has stirred the imagination of countless Americans. To me, the growing interest that I find among all kinds and conditions of people is a most exhilarating and hopeful thing; for interest leads to understanding and action.

NEW PATTERNS OF THOUGHT

A full understanding of Point Four demands new thinking. The dogmas of the stormy past (if I may paraphrase Lincoln) are inadequate to the stormy present. Point Four requires us to "think and act anew" if we would "save our country."

In this spirit, we are thinking anew in terms of the duration of this co-operative venture. Heretofore, foreign aid programs have invariably had a terminal date, and it was thought necessary to hold out the promise that a job would be finished and the burden removed from the taxpayer by such and such a date. Point Four has never offered any such promise. It is accepted as a permanent part of our foreign policy, just as the progressive development of our own country is a permanent part of our domestic policy. This mature decision is an example of the new thinking that Point Four has demanded of us.

We are learning to think and act anew in relation to the character of the foreign aid that Point Four must provide if it is to succeed. Heretofore our foreign assistance programs have been concerned with the relief and reconstruction of war-torn countries. In the Marshall plan, we were dealing for the most part with well-organized, modern societies with a long tradition of self-help and a strongly progressive spirit. To help the highly productive peoples of these countries to rebuild their shattered economies, it was necessary to give

them vast quantities of food, raw materials, and machine tools. The cost to us was very large—since 1948 some 12½ billion dollars—but the results exceeded our most optimistic hopes and justified our effort.

Point Four is concerned with quite different physical and psychological problems. The peoples of the underdeveloped countries were relatively untouched by two World Wars. Their plight is the result of centuries of stagnation and lack of opportunity. The idea of progress through self-help is just beginning to stir their imagination. There is only one way that Point Four can bring to these people the help they need. That is by putting in their hands the kinds of tools that they can use now to help themselves, and by demonstrating that new tools and methods can get practical results. It is sometimes hard for us to realize that the simplest improvements—a steel tip on a wooden plow, a long handle on a scythe, a better method of sowing an improved variety of seed, or the boiling of drinking water—can bring immediate and widespread benefits to great numbers of people.

The "impact"

These are the kinds of things that make an impact on the economic and social lives of the people Point Four serves. We hear a great deal today about "impact" programs. It is sometimes said, Yes, Point Four is a fine thing, but have we *time* . . . ? This question suggests that there is an alternative method which could get bigger and faster results. Why not ship great quantities of heavy modern farm machinery to the underdeveloped regions? Why not give them fully equipped modern hospitals? Why not help them to build steel and textile mills?

Such projects may serve a useful purpose in a few places, but let no one be

deceived into thinking that their "impact" would be quick or widespread. It is the multiplicity of small improvements, available and immediately useful to great numbers of people, that add up to the impact which Point Four is making today and will increasingly make as the program develops.

This is not a theory, but a fact that has been demonstrated a hundred times over. In Latin America, a handful of American technicians—some 350—have been working with many times their number of Latin American citizens in twenty countries. They have given away nothing except the knowledge of how to grow a better crop of corn, raise better livestock, dig a well for clean water, set up a clinic, or organize a school system. Yet the impact of this knowledge has made a difference in the lives and attitudes of millions of people.

In India, a single American technician has adapted old methods of demonstration and training to local situations, with the result that farmers in and far beyond the limited areas where he has worked for three years have doubled their yields of wheat and potatoes and virtually wiped out livestock diseases. This one technician has trained more than three hundred Indian farm extension agents in the methods he has used with such success. He believes, and I am convinced that his estimate is sound and conservative, that with the help of fifty American technicians, co-operating with the fine extension service the Indian government is now developing, the Indian people can free themselves in five years from the constant threat of famine. If the funds are made available, Point Four will expand this program as rapidly as possible.

Relationships

Finally, we are having to think anew in terms of the new human relationships and methods of co-operation that are

evolving under Point Four. The Act for International Development prescribed, and I think wisely, that Point Four should make its major impact through people working with people. Technical co-operation is now going on at all levels—in capitals, towns, and villages, in offices, fields, schools, and factories. This is diplomacy in a new dimension, in which American doctors, engineers, nurses, animal husbandmen, and home economists ply their trades along with economists, administrators, and professional diplomats. It brings them into the most intimate daily relationships with thousands of foreign people, and these people, in turn, become acquainted with Americans from all walks of life and all parts of the United States. At the same time, trainees from the underdeveloped regions are coming to the United States in growing numbers. If past experience is any guide, the impact of this great mingling will have an important bearing on our foreign relations. To make this impact a healthy and productive process is one of the most important responsibilities we, in Point Four, have.

Another new relationship is being worked out in the Joint Commissions, which I mentioned earlier. This is the new Point Four mechanism for long-range economic and social planning. It is now in use in Brazil, Paraguay, Liberia, and Iran, and is likely to be applied elsewhere. We must remember that the idea of long-range economic planning has still to gain general acceptance. Even a good many Americans still shy away from it and regard it as newfangled nonsense. In international relationships, joint planning on a partnership basis indicates a radical departure from traditional dealings between more and less developed nations. It is about as different from the old imperialism as a relationship can be.

Once an agreement has been concluded between the United States and another government, covering the general purposes of a Point Four Program to be undertaken, the commission sits as adviser, surveyor, planner, and watchdog over the program. It does not have administrative duties. I have seen one of our commissions at work, and I know that their meetings are not an empty formality. It has been suggested that the experience of these commissions might be of value in other situations where more and less developed countries have not been able to solve their differences.

IS IT NEW AND BOLD?

A good many people are discouraged by the fact that the "bold new" idea of helping more than a billion people to raise their standards of living finally brought forth a program costing less than a hundred million dollars a year. This reaction is not surprising, because one of the popular fallacies of this particular age is to confuse bigness with boldness, and size with importance. Some of our most ardent idealists bitterly describe Point Four as a whisper instead of a roar, while a few self-appointed defenders of the public purse are attacking the program as a gigantic "giveaway," a means of spreading dollars around the globe. Both criticisms are wide of the mark.

Technical co-operation is about as simple and functional a tool as our modern technological society has devised. It is a delicate precision instrument in the same way that David's slingshot was the best possible instrument for dealing with Goliath. Like David's slingshot, it has to be wielded with boldness and accuracy. If David had been equipped with a sixteen-inch cannon, he probably would have missed Goliath altogether. In like fashion, if the Point Four Pro-

gram were in a position today to give away a billion dollars' worth of capital goods (assuming the goods were available), it would create a world-wide sensation, no doubt. But it would produce no enduring results. We need equipment, of course, to teach and demonstrate simple practical improvements.

Its cost will not be sensational, but it will serve immediate, specific needs.

If Point Four continues to develop and expand in the direction it has taken in its first year, it may create better patterns of co-operation and, in time, a new art of human relations in the service of economic and social progress.

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Public Health and Foreign Policy

By LEONARD A. SCHEELE

AT the Seventy-eighth Annual Meeting of the American Public Health Association in October 1950, the Honorable Willard L. Thorp, Assistant Secretary of State for Economic Affairs, told the assembly that "world-health improvement has become a major concern of American foreign policy. Health has become recognized as a major factor in economic and social progress throughout the world—and thus in the preservation of peace."¹

Nearly a century of trial and error lies back of this current policy of international health. The objectives of such a policy spring from two basic social aims, both characteristic of western societies. The first is the preservation of human life, and the second is economic well-being. To achieve these goals, the United States Government at the present time is engaged in a variety of international health programs based upon a concept of mutual effort for mutual welfare. The political instruments of these programs are multilateral agreements to participate in and support international organizations, and bilateral agreements with individual governments.

EARLY DEVELOPMENTS IN INTERNATIONAL PUBLIC HEALTH

The association of public health with foreign policy began to take shape in the second half of the nineteenth century. Until 1902, however, the United States was concerned primarily with national efforts to exclude pestilential

diseases from this country. In Europe, governments recognized earlier than in the Western Hemisphere the fact that disease recognizes no boundaries. The necessity for international agreements aimed at preventing the spread of epidemics was recognized as early as 1851, when an international health conference was held in Paris. That initial effort was unsuccessful.

The first successful international conference on public health was held at Venice in 1892. The United States Government sent delegates, but Congress never ratified the treaty that resulted from the conference. An important precedent had been established however. Nations had agreed on some common efforts to prevent the spread of epidemic disease. Between 1851 and 1892 Pasteur, Koch, and other bacteriologists had made revolutionary discoveries. They advanced the knowledge of infectious diseases more than had all the preceding centuries of scientific thought, and their discoveries provided sound bases for international agreement.

During the same period, maritime quarantine in the United States had gone through stages of development similar to those in Europe. Like the individual European nations, individual states had different ideas about foreign quarantine. State and local laws and regulations varied widely; enforcement in many instances was weak. A national quarantine law was needed to bring order out of chaos. The first such law was promulgated in 1878, setting uniform quarantine regulations. The administration of this law was assigned to the United States Marine Hospital

¹ Willard L. Thorp, "New International Programs in Public Health," *American Journal of Public Health*, Vol. 40 (December 1950), pp. 1479-85.

Service, precursor of the Public Health Service.

In the year following the international conference of 1892, the United States adopted a stronger national policy for the control of infectious diseases. The foreign and interstate quarantine law of 1893 gave full powers for maritime and border quarantine to the United States Public Health Service. It also established a system of investigation of epidemics which crossed state borders and provided for co-operation with state health authorities in the control of infectious diseases.

THE FIRST INTERNATIONAL HEALTH ORGANIZATIONS

With the Monroe Doctrine as the basic policy of the United States vis-à-vis Latin America, the Spanish-American War left this country with new responsibilities in the international health field. From 1900 on, the United States moved toward closer co-operation with the republics of Central and South America. In 1902 the United States participated in the establishment of the Pan American Sanitary Bureau. The Bureau represents the first effort in modern history of a group of independent nations to maintain a permanent international organization for the promotion of health.

The Pan American Sanitary Bureau had the responsibility of promulgating regulations for international control of the so-called "treaty diseases"—plague, smallpox, typhus, cholera, and yellow fever. In 1924, a sanitary code was signed by all twenty-one of the American republics. This treaty strengthened the powers of the Bureau and introduced uniform quarantine measures. More significantly, however, the code allowed the PASB to initiate a policy providing direct assistance to member states for the development of their central health organizations.

In 1903, a third international health conference was held in Paris. For the first time, the international effort for the control of pestilential diseases began to take on a world-wide scope. A new Sanitary Convention adopted at Paris was ultimately ratified by thirty-nine nations, including the United States. The signatory powers agreed to notify each other of the presence of diseases which might be communicated to passengers and crews aboard ships calling at their seaports. Maximum requirements for maritime quarantine were prescribed, and signatory nations agreed that they would not exceed these requirements in their own national quarantine regulations.

The Rome Agreement of 1907 provided for a central office to facilitate the exchange of information on epidemics, the office to be supported by the signatory powers. As a consequence the International Office of Public Health (*l'Office International d'Hygiène Publique*) was established in Paris, thus becoming the second international organization for health purposes.

The establishment of the League of Nations permitted another important step forward in international health relations. The Health Organization of the League was set up in 1921, with responsibilities not only for improving epidemiological intelligence but also for the standardization of biologic products, for the conduct of various public health activities such as malaria-control, fellowships for professional personnel, and for nutrition studies. The Health Organization also sent teams of experts to assist governments requesting such service in the development of their national agencies. The United States could not participate officially in the work of the Health Organization because it was not a member of the League. As a signatory to the International Sanitary Convention, however, the United States had

important relations with the epidemiological activities of the League.

Close liaison was established between the League of Nations and the International Office of Public Health in Paris by the League's Health Committee. This Committee was composed of experts without regard to nationality and thus could admit members from the United States. For many years the Surgeon General of the United States Public Health Service was a member of this Committee, and many United States Public Health Service experts acted as consultants. The Health Organization of the League of Nations and its Health Committee thus represented a third step toward a permanent international organization for health.

U. S. WARTIME EXPERIENCE

With the conclusion of World War II and the increased interest of the United States in world affairs, our foreign policy with respect to international health developed rapidly. Promotion of world health came to be recognized as a major instrument for attaining our goals of world peace and prosperity.

The emphasis upon public health in current United States foreign policy derives in part at least from this country's experiences in World War II. During and after the war the United States Army and Navy were faced with enormous practical problems of civilian health in the far-flung combat theaters. The responsibility for civilian populations in liberated or conquered areas made it necessary to develop and carry out plans for public health improvement.

In Europe, for example, epidemic typhus fever broke out in Naples in 1943. Prompt and vigorous use of DDT and of antityphus vaccine speedily brought the epidemic under control, and a pandemic from that source was averted. Later, when the campaign in northwestern Europe was being planned, the pub-

lic health and preventive medicine staff of Supreme Headquarters Allied Expeditionary Force anticipated an outbreak of typhus fever in German-occupied territory. Plans were made to deal with this possibility.

Epidemic typhus was found rampant in the concentration camps, and, as the Germans abandoned the camps in their retreat, prisoners began to spread the disease into surrounding areas. The same methods that had been successful in Naples were applied vigorously. As a result, tens of thousands of lives were saved. The significant fact is that the success of these operations depended upon collaboration between health personnel of SHAEF and the war-disrupted civilian health services.

We had ample opportunities to see the benefits of health programs in war-torn and underdeveloped areas. Participation in the work of the United Nations Relief and Rehabilitation Administration also afforded this country excellent opportunities to work with other nations in restoring public health and medical services. In Europe and Asia, United States personnel who served with UNRRA learned not only about the immediate effects of war upon health but also about the long-continued drain upon human resources of preventable disease and death.

Our policy makers contemplated these effects in a world rapidly shrinking because of the increase in the speed and volume of international transport. Public health isolation was no longer possible.

THE WORLD HEALTH ORGANIZATION

The World Health Organization developed from the expressed desire of several of the representatives at the 1945 international conference at San Francisco which brought the United Nations into being. Several of the prin-

ciples embodied in the constitution of the WHO² are of particular interest as representing an unprecedented advance in the concept of health goals.

The first of these principles is a new definition of health:

Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.

From the statement of such a goal, the following principles evolve logically:

The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition.

The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest cooperation of individuals and States.

As a basis of foreign policy, the following items in the preamble of the WHO constitution are of specific significance:

The achievement of any State in the promotion and protection of health is of value to all.

Unequal development in different countries in the promotion of health and control of disease, especially communicable disease, is a common danger.

Governments have a responsibility for the health of their peoples which can be fulfilled only by the provision of adequate health and social measures.

The constitution of the WHO recognizes that no one government or international organization alone can bring about the attainment of the goals of world health. No government has gone as far as it can and should go in the provision of adequate health measures.

² International Health Conference. Report of the United States Delegation Including the Final Act and Related Documents. Annex 2. Washington: Department of State Publication 2703, Conference Series 91, 1947.

Many governments today, however, give health a much lower priority in the implementation of their domestic and foreign policies than does the United States. The constitution of the WHO has stimulated the re-evaluation of health efforts by its members and, in many instances, has brought about increasing attention to governmental responsibilities in this field.

WHO membership provisions

Another exceptional feature of the WHO constitution is its provision that "membership shall be open to all states." As a specialized agency of the United Nations, the health organization thus confirms its basic principle that health problems and their solution transcend political considerations.

At the International Health Conference of 1946, the question of universal membership proved to be a difficult problem. The United States supported the proposal that membership should be open to all states on the grounds that it is essential

to extend to all persons, as soon as possible, the benefits of international action designed to improve health, that the control of international spread of disease requires action on a uniform basis throughout the world, and that any political considerations should be subordinated to the overriding consideration that lack of participation by important groups of people would greatly impair the effectiveness of the Organization.³

The Economic and Social Council of the United Nations took another view of membership. In the Report of the Council's Drafting Committee, approved by the Council and adopted by resolution June 11, 1946, the desirability of universal participation "in the struggle against disease and particularly epidemic disease, is recognized, but the competent authority of the United Na-

³ See note 2 *supra*, pp. 11-12.

ons should regulate admission to membership."⁴

The formula finally adopted by the International Health Conference provided that the 51 members of the United Nations and the 14 nonmember states invited to the Conference could become members of the WHO by accepting the constitution prior to the first session of the World Health Assembly (Articles 4 and 5). Other states would be eligible for membership upon acceptance of the constitution and deposition of a formal instrument of acceptance with the Secretary-General of the United Nations, followed by approval by a simple majority vote of the World Health Assembly (Article 6).

No provision is made in the constitution of WHO for withdrawal by a member or for expulsion of a member. Article 7 provides, however, that the World Health Assembly may suspend the voting privileges and services of a member in the case of failure to meet financial obligations or "in other exceptional circumstances."

The WHO, like its parent institution, United Nations, is one of mankind's most stupendous efforts to put into practice the ideals of brotherhood and faith in the fundamental goodness of human beings. The practical application of these ideals calls for many qualities of leadership, not the least of which are clear understanding of the varieties of human motivation—and patience.

Membership history

The short history (1946 to 1951) of membership in the WHO illustrates the difficulties that faced the Interim Commission (1946–48), the World Health Assembly, and the Secretariat (1948–51).

At the International Health Conference of 1946, plenipotentiaries of 62 governments, representing essentially

⁴ See note 2 *supra*, p. 132.

the total population of the world, signed the constitution. China and the United Kingdom signed without reservation, thus becoming the first and second members of WHO, respectively. But the constitution could not become effective until 26 U.N. members had accepted or ratified it, and more than twenty months elapsed before that number had been reached. The Interim Commission, realizing that its effectiveness would decline progressively with delay, set June 24, 1948, as the date for convening of the First World Health Assembly.

On April 7, 1948, with the deposition of instruments of acceptance by Byelorussia and Mexico on that date, the constitution of WHO came into force and the Organization became a specialized agency of the United Nations. Twenty-seven members of the U.N.⁵ and eight nonmembers⁶ were thus the "charter" members of the WHO.

Surprisingly, the United States is not in that list. The foreign policy of this government had been to support the development of an international organization for health. Nevertheless, although the United States delegation had signed the constitution "subject to approval," the Seventy-ninth Congress did not complete the necessary action in the five remaining months of its existence, July–December 1946.

U. S. restrictions

The Eightieth Congress, which convened in January 1947, failed to take action until June 8, 1948. The Joint

⁵ China, the United Kingdom, Canada, Iran, New Zealand, Syria, Liberia, Ethiopia, the Netherlands, Saudi Arabia, the Union of South Africa, Norway, Sweden, Iraq, Siam, Yugoslavia, India, Turkey, Egypt, Australia, Czechoslovakia, Greece, the Union of Soviet Socialist Republics, the Ukrainian Soviet Socialist Republic, the Byelorussian Soviet Socialist Republic, Haiti, and Mexico.

⁶ Switzerland, Transjordan, Italy, Albania, Austria, Finland, Ireland, and Portugal.

Resolution (P. L. 643, 80th Congress) imposed serious statutory restrictions on the membership and participation of the United States in the WHO. Although the constitution of the WHO makes no provision for withdrawal, the Joint Resolution of the Eightieth Congress reserved to the United States a right to withdraw on one year's notice.

No other member of WHO made such a reservation, but during the Organization's first year of functioning (1949), the exodus from active membership on the part of certain nations began. The Union of Soviet Socialist Republics, the Ukraine, and Byelorussia were the first to submit "resignations." These have been followed by Nationalist China, Albania, Bulgaria, Rumania, Czechoslovakia, Hungary, and Poland. To meet with this problem of nonparticipation and at the same time to leave the door open for a return to the fold, the WHO, supported by succeeding World Health Assemblies, has not accepted the tendered resignations but has preferred to list these states as "non-active members."

The WHO budget

Another restriction in the Joint Resolution passed by the Eightieth Congress was the imposition of a ceiling on the amount of the United States financial contribution to WHO in any year. At the time of its passage, the law set a ceiling of \$1,920,000 which remained in effect until 1950 when the Eighty-first Congress amended the law, raising the ceiling to \$3,000,000.

The provisions of the WHO constitution for budget and expenses are important in considering this congressional action. Article 56 provides that the World Health Assembly shall adopt a budget for the Organization annually and shall at the same time apportion the expenses among members according to a scale also to be determined by the As-

sembly. The First World Health Assembly (1948) adopted a budget of \$5,000,000 for the WHO's first year of operations (January 1–December 31, 1949). The scale of apportionment was based on the population and economic status of members. Under this system the United States share for the first year was 38 per cent. This proportion in dollars did not exceed the ceiling of \$1,920,000.

The Second World Health Assembly, held in Rome in June 1949, voted to reduce the United States percentage of the WHO 1950 budget to 36 per cent. In one year of operation, however, the WHO had proved its ability to accomplish outstanding results in its several programs and services, albeit on a limited scale and on the proverbial "shoestring." The Second World Health Assembly therefore adopted a budget of \$7,100,000 for 1950. The 36 per cent share of the United States thus amounted to a little over \$2,500,000, about \$600,000 in excess of its ceiling.

The Assembly at the same time established the principle that no member state should be assessed in excess of $33\frac{1}{3}$ per cent of the budget and recommended that the United States share should be reduced to that ratio as soon as possible. The Executive Board of the WHO recommended that expenditures for 1950 be held to \$6,300,000. This recommendation was based upon the virtual certainty that the total assessments would not be paid.

The Third World Health Assembly, held in Geneva in May 1950, reduced the contribution of the United States to 35 per cent of the budget. Again, on the basis of expanding program and increased demands for service, the Assembly also adopted a larger regular budget of \$7,300,000 and agreed to the ceiling set by the Executive Board on expenditures for 1951.

The Fourth World Health Assembly

I took the final step of reducing the United States assessment to one-third of the total regular budget of WHO for 1952. The Assembly voted an increased budget of \$7,700,000. Under the ceiling established by Congress, the United States contribution is well within the authorized limit. In addition, approximately 22 per cent of the first \$10,000,000 available under the U.N. Technical Assistance Program will go to the WHO.

WHO achievements

Despite the difficulties of the first three years of operation, the achievements of the WHO have made it what it was purposed to be—namely, the responsible, permanent international agency in the field of health. Each year, the World Health Assembly and the Organization's programs have gained in stature.

Some of the accomplishments of the WHO are taken for granted, but they represent international achievements which directly benefit the people of every nation. For example, through the work of the Expert Committee on the Standardization of Biologic Products, new international standards have been adopted for penicillin and vitamin E. Recommendations have been prepared on a wide variety of essential therapeutic, prophylactic, and diagnostic agents, including diphtheria and tetanus toxoids, cholera vaccines, tuberculin, BCG (antituberculosis) vaccine, and streptomycin. Similarly, an International Pharmacopoeia is being developed, with uniform rules for nomenclature and dosage in the use of a wide variety of drugs.

The work of the Expert Committee on Drugs Liable to Produce Addiction has aided other international agencies concerned with the traffic in narcotics by determining what drugs are habit forming and should be controlled. The

health aspects of narcotic drug addiction can be a powerful influence in strengthening the hands of governments and of international agencies who would curtail the enslavement of men, women, and children to drug addiction. This problem is looming larger in many nations as a result of the increase in the illegal export of narcotics from several countries.

At the Fourth World Health Assembly, a new code of International Sanitary Regulations was adopted. It will come into force on October 1, 1952 without the need for ratification by member governments, although they may make reservations prior to March 6, 1952. The new regulations will mark the greatest forward step in this, the oldest field of international health work. For the first time in history, there will now be a single code, binding on nearly all nations. This code will ensure maximum protection against the international spread of epidemic diseases, but further it will remove avoidable restrictions on international trade and travel. World quarantine procedures will at last have caught up with the speed of modern transport.

The 1952 program of WHO, as approved by the Assembly, will for the first time establish a world-wide co-ordinated pattern of international health work, irrespective of the source of funds. The program will be financed from WHO's regular budget, supplemented by funds available under the United Nations program of Technical Assistance for Economic Development and from the United Nations International Children's Emergency Fund (UNICEF).

Among the many fields in which the WHO will carry out training and demonstration projects in 1952 are: malaria, tuberculosis, venereal infections, and other communicable diseases; nutrition; maternal and child health; and environmental sanitation. With the co-opera-

tion of UNICEF, services in these and other fields will be rendered to about 60 countries and a number of territories.

Fellowships to help relieve the worldwide shortage of public health workers in various categories will be increased in 1952. At the same time, the WHO's routine services to all countries will be continued. These include daily radio broadcasts on disease outbreaks, collection and dissemination of the newest results of medical research, global data in the field of vital statistics, and continuing efforts toward the co-ordination of research on virus and parasitic diseases and evaluation of BCG vaccination against tuberculosis.

Regional offices

One of the outstanding actions of WHO is the establishment of regional offices which bring its services close to its member states. The Pan American Sanitary Bureau serves as the regional office in the Western Hemisphere, with headquarters at Washington, D. C. The regional office for the Eastern Mediterranean is located at Alexandria, Egypt; the Southeast Asia office at New Delhi, India; and the Western Pacific office at Manila, Republic of the Philippines. At WHO headquarters in Geneva, the central staff provides special services for the European region. Next year a regional office will be established in Africa.

Thus, the WHO has provided in major geographic regions of the world focal points from which will radiate information and technical services for the improvement of the health of all peoples. A basic aim of WHO programs is the strengthening of national health agencies for health services to their people.

PUBLIC HEALTH IN BILATERAL PROGRAMS

In the public health field, the United States Government also deals directly

with individual governments through such United States agencies as the Institute of Inter-American Affairs (IIAA), the Economic Cooperation Administration (ECA), and the Technical Cooperation Administration (TCA). These bilateral programs do not conflict with the work of the WHO, but supplement it in those underdeveloped areas of the world which need more help than the international agencies can supply.

During and after World War II, the United States recognized that prompt action was necessary to prevent economic and social collapse in areas which had suffered the direct impacts of war. The success of the United Nations—in fact, the hope of a free world—depended upon the speed with which economic stability could be effected in Europe and other critical areas. The foreign policy of the United States thus supported the expansion of bilateral programs designed to bolster the economy of friendly nations.

The principle that health is a basis of economic stability was early engrafted into that policy. For example, the Act for the Relief and Rehabilitation of the Philippines, passed by Congress in December 1945, made the restoration and improvement of public health services in the new republic a major element of the program. The United States Public Health Service was given direct responsibility for developing the Philippines health program. In the same year, the Economic Mission to Greece established a Division of Public Health, staffed by the Public Health Service, which operated with the same objective as that of the program in the Philippines.

The IIAA has led the way in bilateral international co-operation. The scope of the program, involving the expenditure during the past nine years of more than \$52 million of United States funds and some \$64 million of Latin American

funds in eighteen countries, has been broad indeed, and the accomplishments have been notable.

A training program, in which more than 1,200 Latin American public health workers have received graduate training in the United States and more than 6,000 in Latin America, has provided the leadership and direction for a public health awakening throughout the hemisphere. New facilities constructed through IIAA include 85 health centers, 154 water supply systems, 64 sewerage systems, and 74 hospitals. A unique feature of the IIAA program is the establishment of special services (*servicios*) within the health ministries of the various Latin American countries. A *servicio* is jointly staffed by health workers of its own country and of the United States. Thus, Latin Americans trained in the United States have returned to their countries to operate new facilities and develop new programs hand in hand with experienced United States technicians and public health administrators. The national and local health services have been given strength and stability through these measures.

Point Four and public health

In his inaugural address of 1949 the President enunciated his plan for international development, including technical assistance to underdeveloped areas of the world in the fields of public health, education, and agriculture. Known as the Point Four Program, the President's proposal sprang from the recognition that "the grinding poverty and the lack of economic opportunity for many millions of people in the economically underdeveloped parts of Africa, the Near and Far East, and certain regions of Central and South America, constitute one of the greatest challenges of the world today."

In his Message to Congress on International Development (June 1949), the

President cited the experience of the Public Health Service and other federal agencies in "relatively modest" programs of technical co-operation with other countries. "What is needed now," he concluded, "is to expand and integrate these activities and to concentrate them particularly on the economic development of underdeveloped areas."

President Truman at the same time called on other governments and the United Nations to undertake this great task as a co-operative effort. In June 1950 the first Technical Assistance Conference of the United Nations was held. Fifty nations pledged financial contributions totaling more than \$20 million for the first year to be expended through the U.N. and its specialized agencies, including the WHO, for projects in underdeveloped areas. The United States Government is a major contributor to this great "multilateral" program, its share of the first year's budget being \$12 million.

In May 1950 the Congress passed the Act for International Development and in August appropriated the sum of \$34.5 million for the program. Thus the President's Point Four Program was implemented and the Technical Cooperation Administration was established in the State Department to administer it. Approximately one-fourth of TCA funds have been allocated for health programs and one-fifth of ECA expenditures in Southeast Asia will be devoted to public health work.

ECA and public health

In 1950 Congress also authorized ECA to use unexpended "aid to China funds in the general area of China." This authority has been interpreted to include the Southeast Asia countries of Burma, Thailand, Indonesia, Indochina, Formosa, and the Philippines. ECA has undertaken substantial programs for economic development in each country,

providing matériel and technical assistance in agriculture, health, transportation, communications, governmental organization, and other related fields. The specific programs are under the direction of United States specialists who are administratively responsible to an ECA Chief of Mission with the diplomatic rank of Minister. Public health work is prominent in all of these ECA programs, as well as in the plans of each of the Southeast Asia governments. The ECA co-operative programs have had WHO participation and have felt its coordinating influence.

Underlying the foreign policy of the United States in the health field is the realization that public health methods get results. The malaria control program conducted in the Republic of the Philippines, for example, reduced the percentage of infected population from about 27 per cent to less than 4 per cent in three years.⁷ The same co-operative effort reduced industrial absenteeism, largely due to malaria, from 33 per cent per day in 1946 to between 2 and 4 per cent daily in 1949. Large and fertile areas were repopulated and put under cultivation although they had long been untenanted and idle.

Similar encouraging reports could be cited from every part of the world in which intensive malaria control work has been done since the war. The roll call of countries that have benefited is long; in some, as in Greece, the results have been spectacular. There malaria has been virtually eliminated as a serious health problem, in contrast with former infection rates as high as 80 per cent in some areas. The same types of activity will yield results wherever they may be applied.

It has been estimated that nearly

half of the world's two billion population are afflicted with preventable diseases. The total in human suffering is enormous. Malaria, for example, afflicts more than three hundred million persons annually. In certain of the underdeveloped areas, syphilis is present in one-third of the population. In others, even higher proportions (65-70 per cent) of the people are depleted in health and productivity by such infections as trachoma, yaws, and tuberculosis.

The means for combating these—and many other infectious diseases—are well known. The use of DDT can bring relief from many insect-borne diseases besides malaria. The principles of environmental sanitation can be applied in the most primitive societies, often without elaborate equipment—if the public health workers have imagination and understanding of the people whom they serve. The sulfa drugs and penicillin, preventive vaccines, and other techniques are all potent weapons in the battle against preventable disease. So too is the application of modern public health principles and practice to the problems of maternal and child health in populations whose cultural and physical environments are quite different from those of the United States.

PUBLIC HEALTH AS AN INSTRUMENT OF CO-OPERATION

As participants in the multilateral or bilateral health programs espoused by the United States, the public health workers of this country are implementing the foreign policy of their government. Personnel of the United States Public Health Service have been in the front line of the struggle for world health since its inception. Today, more than 150 such workers are at outposts of the new world health frontiers, the majority of them on loan to the State Department and ECA. Others are being

⁷ United States Public Health Service, *Report of Philippine Public Health Rehabilitation Program* (Washington: Government Printing Office, 1950), p. 68.

added as rapidly as they can be recruited and given the necessary orientation on the areas they will serve.

Public health workers overseas are also facing new challenges—not only to their technical skills and human understanding, but also to their capacity to work with others. Out in the field, it does not matter so much whether one is “working for” the ECA, the TCA, the WHO, or the IIAA. What matters is to “work with” the people of the country to which one is assigned. What matters is to get the job done.

The field of international health activity therefore offers great opportunities for teamwork. Many new projects will be undertaken jointly in the next year by several specialized agencies of the United Nations, such as the Food and Agriculture Organization, United Nations International Children's Emergency Fund (UNICEF), and the United Nations Educational, Scientific, and Cultural Organization (UNESCO). In programs of IIAA, ECA, and TCA, similar joint activities will be developed which involve public health, agriculture, education, and other teams.

If the staffs of these agencies succeed in co-ordinating the many international and bilateral activities in the field, there will be greater assurance that the host

countries will learn not only the specific techniques but the values of co-operation and friendship between the peace-loving countries of the world. All of the organizations concerned must take it on themselves to bring about effective co-operation. The result will be savings in dollars and cents, greater efficiency, and greater success in program accomplishments.

Public health programs will often be the first to reach the people whom our government's foreign policy would aid. Our health workers have a wonderful gift in their hands—freedom from many of the major diseases, a freedom made possible by new methods developed in the past few decades. Because these very methods have brought better health to Americans and their fellow men in a few other countries, we shall have the deepest satisfaction in seeing the same methods lift the burden of disease and suffering from many additional millions. All the nations who work to this end with us will be our partners in health progress. These efforts to prevent suffering and bring health to the world's people will ultimately be a decisive factor in winning world peace and happiness. Health as “a state of complete physical, mental, and social well-being” will ultimately become a reality.

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The United States in the United Nations

By D. F. FLEMING

WHAT is the role of the United States in the United Nations, six years after its creation? To what extent has the United States been able to obtain agreement to its views? What limitations in our leadership have developed? How successful have the lesser democracies been in modifying our attitudes? What concessions have been made to the views of the Soviet bloc? Will the Soviet-Western conflict end in the breakup of the United Nations?

BACKGROUND OF U.N.

The United Nations is founded on the principle of co-operation among the great powers. President Roosevelt originally favored the application of this principle without another league of nations, but after it became clear that the American people wanted to repair their error of 1918-20 he worked faithfully with Secretary of State Cordell Hull to create U.N. before the end of the war should lessen or disrupt the unity among the victors—a timing which history has amply vindicated.

The Soviet Government would greatly have preferred a great-power control of the world, because of its dictatorial nature and its unhappy experience with the League of Nations. However, the Soviet leaders co-operated loyally with the Americans in creating U.N. The Union of Soviet Socialist Republics made ten concessions at San Francisco which "contributed greatly to the liberalizing of the Dumbarton Oaks proposals."¹ She also cast her votes for locating the meeting place of the United

Nations in the United States—a step she would not have taken had she anticipated the antagonisms which developed later.

Then on August 6, 1945 the first use of the atomic bomb completely transformed the power prospects of the great powers.² It was followed by a strong Anglo-American diplomatic campaign in the Balkans and complete deadlock in the London Council of Foreign Ministers in September.

This is the atmosphere of conflict which has dominated the life of U.N. since its organization in early 1946. Instead of being an organ to preserve the peace made by the great powers, U.N. has become a battleground between giant governments unable to make peace. Given the cleavage between the U.S.S.R. and the United States, this was inevitable; but the fact makes it exceedingly difficult to write a useful article on this subject. Only an account which defends the American position throughout can be acceptable to most Americans. Yet the use of U.N. by both sides of the power conflict merely as an area of conflict and as a place for justifying national acts would seem to doom it to eventual disruption.

A great many Americans ardently desire to push the Communists out and convert the United Nations into a military alliance against them. Since it is my belief that this would probably be the prelude to a war which would largely destroy western civilization, I shall try to review our record in U.N. with the objective of its mission to hold the

² See Winston Churchill and C. L. Sulzberger in the *New York Times*, August 17 and 26, 1945.

¹ James B. Reston, *New York Times*, June 12, 1945.

world together, in some fashion, constantly in mind.

SUBSTANTIVE ISSUES

From this starting point, what has been the record of our leadership of the United Nations?

Armaments

In the field of atomic energy control we have convinced the non-Communist world of the generosity of our proposal for world control, made in June 1946—a great moral success. On the practical side our plan never had a chance of acceptance after the Truman-Attlee-King declaration of November 15, 1945, which sought the control of atomic energy through a U.N. commission whose work "should proceed by separate stages, the successful completion of each one of which will develop the necessary confidence of the world before the next stage is undertaken." The chance was infinitesimal that the Soviet Union, immensely proud of its role in World War II, would enroll in the American atomic school and faithfully complete each grade, proving its reliability in every lesson. It would prefer to stall, while making its own atomic bombs and power plants.

Similarly, the Soviet effort to submerge the atomic issue in a drive for general disarmament was successful from the standpoint of world opinion when the General Assembly adopted the resolution of December 14, 1946, but we were able to nullify progress in that direction as effectively as Moscow did on atomic energy.

The result was stalemate and no arms control of any kind. We chose to have perfect controls or none.

Iran

In the Iranian dispute in 1946 the United States and Britain successfully

prosecuted the Soviet Union for overstaying her leave in Azerbaijan, and recovered that province for Iran. In the aftermath, the U.S.S.R. lost her oil concession. Nothing effective was done to remedy the abysmal conditions in which the Iranians live. Then in 1951 Iran's feudal rulers rewarded her benefactors by seizing the great British oil fields.

These events suggest (1) that in such a situation police action is insufficient unless followed by deep-seated remedial measures, and (2) that the western monopoly of the vast oil wealth of the Middle East rests on a very unstable basis.

Warmonger charges

The Soviet drive to convict individual Americans and interests of warmongering was a considerable success. The generalized Assembly resolution of November 17, 1947 registered the conviction of delegates who had been listening to our radio and press that there was too much inflammatory talk of war.

Berlin

In the Berlin crisis the United States failed to persuade the smaller states on the Security Council to introduce a simple resolution calling for the lifting of the blockade, but achieved a resolution including that point.

This success was somewhat dimmed by the Evatt-Lie proposals for immediate four-power conversations to settle the dispute.

The United Nations maintained a mediating personality of its own throughout its consideration of this dispute in October–November 1948.³

Palestine

The many changes in American policy on Palestine—from partition to trustee-

³ John C. Campbell, *The United States in World Affairs, 1948–49* (New York, 1949), pp. 452–64.

ship, partition, mediation, delay, the Bernadotte plan, and mediation again—were due to divisions of opinion between the White House and influential groups in the State and Defense Departments; the President generally favored the Zionist cause, and his opponents concentrated on preserving our interest in Arab-controlled oil. Enforcement of U.N. resolutions was also blocked by the fear that action would necessitate the use of Russian troops in the area.

Franco Spain

In the long story of the U.N.'s ostracism of Franco Spain, our government went along reluctantly at first and finally exerted persistent leadership to revoke the ban, under the pressure of American cotton interests, military arguments, religious groups, and strong conservatives.

The argument that recognition did not imply approval was strongly developed, but reversed in the case of Communist China.

Indonesia

In the Indonesian conflict there was an important exception to the general rule that the United States supported postwar governments of a conservative or reactionary character as bulwarks against communism. In the case of Indonesia, resentment against the high-handed efforts of the Dutch to reconquer their lost colonies combined with a realization that the Dutch course would turn Indonesian nationalism toward communism, to produce by degrees an American policy of strong pressure on the Dutch, both in the Security Council and diplomatically, which finally eventuated in independence for Indonesia.

The result is that the Indonesians, though cautiously neutralist, may be counted on to incline to the side of the West in emergencies.

Korea

In Korea the United States secured a 1947 Assembly resolution creating a commission which supervised an election in South Korea. The rightist government which resulted was accepted by the General Assembly on December 12, 1948 as the only legal Korean government, and a permanent commission was set up to seek the unification of Korea.

There was accordingly a strong legal basis for the action of the United Nations in forcibly repelling the attempts of the North Koreans, in June 1950, to unify Korea by force. Though South Korea was not a member of the United Nations, she was its ward. On broader grounds, also, there was ample justification for the decision of the American Government to lead the United Nations in forcibly repelling the North Korean invasion. If this aggression were not turned back, there was every probability that U.N. would never be more effective in fulfilling its essential function than the League of Nations was, and the decline of U.N. would permanently end mankind's hopes for collective security.

These considerations were reinforced by the dynamics of the power-ideological struggle. If Communist aggression succeeded in Korea, it would succeed in Indochina and other places. The Truman Doctrine had been a dismal failure in China, and if it were not defended in Korea it would go the way of an impotent U.N., to the great profit of the Truman administration's domestic opposition. No principle is more fixed in the American mind than that appeasement of totalitarian aggression does not pay. Moreover, our position in Japan might quickly become untenable.

Crossing the 38th parallel

When in October 1950 the aggressors were thrown back across the 38th parallel, the basic factors of world politics

counseled moderation and restraint. The conflict had turned out to be, among other things, a genuine civil war. The Russians had not backed their protégés with the little air power which apparently could have swept us off the Korean toe before the Inchon landing. China had not intervened, though her interests in Korea were much more immediate and intimate than ours. The Korean-Manchurian border, with its great Yalu power installations, was probably the most sensitive frontier in the world. If we held it, the strategic-political position of both China and the Soviet Union would be imperiled. They would be as certain to react to our approach to the Yalu as we would be to cross the Rio Grande if a Russian-led U.N. army were advancing through northern Mexico. Apart from strategic considerations, they could no more permit us to conquer the North Koreans than we could allow them to communize the South Koreans by force.

Clearly, we would be pushing the other side too far if we insisted on more than the repulse of aggression, in a region many thousands of miles from our frontiers and actually on a critical frontier of both China and the Soviet Union. Nevertheless, we yielded to the natural American impulse to make the victory complete. General MacArthur's impatience was a factor, but the entire Western world became somewhat intoxicated with victory.

The Asiatic members of U.N., led by India, pleaded in vain for restraint at the 38th parallel. Sir Benegal Rau argued repeatedly that

it would impair faith in the United Nations if we were even to appear to authorize the unification of Korea by the use of force against North Korea, after we had resisted the attempt of North Korea to unify the country by force against South Korea.⁴

⁴ *Christian Science Monitor*, October 4, 1950.

This was reasoning which it was very difficult to evade. Using force to *compel* the unification of Korea, after using force to defeat that same objective, strained the moral fiber of U.N. to the utmost. The argument, too, that the 38th parallel boundary was completely artificial went far toward justifying the claim of the North Koreans to be fighting a civil war in their own country, especially since the moral authority of U.N. was nonexistent in the vast area between Seoul and Stettin. In the case of the Chinese, especially, the rankling memory of a century of Western imperialism enabled them to believe passionately that the U.N. forces in Korea threatened to impose the old hated shackles upon them again, and it did not help matters that the U.N. army was advancing under General MacArthur, who was known to favor the eradication of the Communist revolution in China.

These deep-seated factors were ignored, and the U.N. forces rolled on toward the Yalu, until they were driven back across the 38th parallel by the Chinese, who thereupon became "dizzy with success" and decided to sweep the Americans out of Korea.

Branding China

This development produced a fierce demand in the United States for branding China as an aggressor, to be followed by sanctions against her. If North Korea was an aggressor, so now was China. On January 5 the United States sent notes to twenty-nine governments warning that the United Nations might collapse unless China was branded, and our delegates brought similar pressure on the delegates of the twenty-nine nations at Lake Success.

However, the desire of the other U.N. members for another cease fire effort was too strong to be denied, and the United States felt compelled to await

the attempt, especially since we were sure that the Chinese would reject it. The U.N. proposal, submitted on January 11, 1951, called for the withdrawal of all foreign troops "by appropriate stages," and a conference of the United Kingdom, the United States, the Soviet Union, and Communist China to work out a settlement, including the Formosan question and China's representation in the United Nations.

The news that the United States had accepted this proposal in the Assembly produced an outcry in the Congress, which was not lessened by China's counterproposal of a seven-nation conference and the withdrawal of the United States Seventh Fleet from the Formosan Straits. Secretary Acheson promptly denounced it as unacceptable, demanding further U.N. action. Most of the Arab-Asian bloc and some of our European allies held that the Chinese reply was not a rejection; but a bargaining step. Prime Minister Nehru of India warned that to brand China as an aggressor would be "to bolt and bar the door to a peaceful settlement in the Far East."⁵ But the United States would not be denied. A terse resolution branding China and demanding further action against her was introduced in the General Assembly on January 20 and pressed to swift passage.

In the debate, Sir Benegal Rau denied that China's reply was a rejection; it was "partly acceptance, partly non-acceptance, partly a request for elucidation, and partly a set of counterproposals." On January 22 Rau presented some further modifications of the Chinese reply, and the United States was unable to block a 48-hour adjournment to consider these points.

On January 19 the United States House of Representatives passed a resolution demanding branding, with only two dissenting votes. It was timed to

⁵ *New York Times*, January 18, 1951.

confront the United Nations Political Committee when it met at 3:00 P.M. on the same day. On January 23 the Senate unanimously passed a demand that China be branded, and a declaration that she should not be "admitted" to U.N. Two days later the Senate side-tracked for four months India's request for two million tons of wheat urgently needed for famine relief. On the same day President Truman issued a statement giving his preference for "calling an aggressor an aggressor," and the branding resolution passed the General Assembly on January 30, after amendments to placate the stout opposition to sanctions and to alleviate fears that it would close the door to peaceful settlement.

The entire episode gained no credit for American leadership in U.N. The extreme tactics used to force the branding resolution through had employed everything in our arsenal of pressure weapons, short of steaming a couple of battleships up the East River and training their guns on the U.N.'s new headquarters. The forcing of our will upon many friendly and reluctant governments left them in the frame of mind described by James Reston when he wrote that the United Nations would have taken pleasure in passing a resolution that it was the sense of the members that the United States had been "undiplomatic, unwise, emotional, contradictory and slightly hypocritical in its handling of the Chinese Communists for more than a year now."⁶

The branding resolution inflicted a searing wound on the national pride of revolutionary China and made it certain that the Korean war would go on at least until a frightful mountain of casualties compelled negotiation. Thereafter, we had no choice but to pursue what we ourselves labeled the policy of

⁶ James Reston, the *New York Times*, January 28, 1951, Section IV, p. 3.

"Operation Killer," slaughter without end, until Chinese pride could be smothered, temporarily at least, in a sea of blood—killing, also, which "lost us what we cannot afford to lose, the mind of man in Asia."⁷

Stalemate

The recall of General MacArthur precipitated a national decision not to expand the Korean conflict into a world war, and high official expressions of willingness to accept a cease fire at or near the 38th parallel, leaving our ideal of a unified Korea to be pursued by political means.

These means are no more likely to be successful than they were before June 25, 1949. It is unrealistic to suppose that Korea can ever belong to "our side." Neither China nor the Soviet Union "will endure in Korea a government that is anti-Communist and pro-American," any more than we would endure in Mexico the setting up by the East of a government which was pro-Communist and anti-American.⁸ Politically, the best arrangement we can hope for is a neutralized Korea under the U.N., with its Asiatic members doing most of the supervision. Otherwise, Korea would seem doomed to remain a nation divided, for the convenience of the great powers, after she has been devastated more thoroughly than even Germany was during the late war, and after infinite loss, privation, and death inflicted upon both halves of the Korean people.

The Koreans have been crucified even worse than the people of Spain and Czechoslovakia were in the days when fascist aggression was not opposed. Yet their tragedy may enable the two opposing blocs of nations to realize what a real death struggle between them would be like. The Russians may be con-

vinced that their satellites can win no easy victories, and the Americans may learn that the containment of Communism by force of arms around the vast Eurasian perimeter is an uncertain business.

ORGANIZATIONAL QUESTIONS

The great-power conflict has naturally been fought also on the plane of the internal life of U.N.

Admission of new members

In the matter of admitting new members, it has largely paralyzed a vital function of U.N. Afghanistan, Iceland, and Sweden were admitted by consent of both sides on November 9, 1946, and Siam, Pakistan, Yemen, Burma, and Israel were admitted later. Deadlock has prevented the election of Albania, Mongolia, Jordan, Eire, Portugal, Hungary, Italy, Rumania, Austria, and Bulgaria, Finland, Ceylon, Nepal, and the two Korean republics—a total of fifteen states.

The West has consistently opposed the admission of the Soviet satellites—Albania, Mongolia, Hungary, Rumania, and Bulgaria—and the Soviet Union has vetoed the others in retaliation. The protégés of the West have repeatedly received nine votes in the Security Council. The Soviet entries have sometimes received several votes, but have been defeated by abstentions. Thus, at the 206th meeting of the Council, Hungary received five votes and there were six abstentions. On other occasions the United States and others have voted "no" to the satellite applications, though these votes are never spoken of as vetoes.⁹

Efforts to override the Soviet "vetoes" began in November 1946. The Russians frankly said that they had no objections to admitting Finland and Italy, but that they would not be admitted un-

⁷ Pearl Buck, "What Asians Want," *Christian Century*, June 27, 1951, pp. 760-63.

⁸ *Ibid.*

⁹ *Official Records*, Security Council, 2nd year, No. 78, pp. 2037, 2039, 2042, 2045.

less others were. The 1947 Assembly adopted a resolution asking the International Court of Justice for an advisory opinion on the legality of that position. The Court ruled, by a 9 to 6 vote, that this was illegal. Two of the majority submitted separate opinions.¹⁰

Actually, the legal requirements of the Charter offer plenty of justifications for rejection, when rejection is desired. The requirement that the applicant must be (1) a state, (2) peace loving, and (3) able and willing to carry out the obligations of the Charter, gives enough leeway.¹¹

Thus the United States has not been able to believe that Mongolia is independent, or that Bulgaria and Albania should be admitted while they aided the Greek guerrillas, or until they observed the provisions of their peace treaties "by abolishing the oppressive, tyrannical practices of their governments."¹²

On its part, the Soviet Union has doubted that Ceylon is independent, has derided the idea that Jordan is, and has charged the United States with supporting the applications of fascist states like Portugal, while rejecting those of states like Mongolia which aided in the fight against fascism.¹³

Admission en bloc

Repeated admonitions by the Assembly to the Security Council to reconsider the applications have been fruitless, as was the offer of the Soviet Union on June 16, 1949, to admit all of the twelve states whose applications had repeatedly been examined by the Security Council. This offer was rejected by our Representative Austin, who insisted that each applicant be considered

individually. This was a reversal of our stand in 1946 when our delegate had proposed the en bloc admission of eight disputed states and the U.S.S.R. refused. In 1949 the U.S.S.R. pressed an en bloc admission resolution, which was defeated in the Assembly on November 22.¹⁴

If all the waiting applicants were admitted, the Soviet bloc in U.N. would be increased by five members in the General Assembly. No additional clients of Moscow would be added to the Security Council. This would mean, from our viewpoint, that in the Assembly there would be five more people to argue and obstruct and take up time. That would be annoying to us, but it is not easy to see that any real loss would be involved. Most of the ten new anti-Communist members would be unassailably anti-U.S.S.R. There would still be left, also, our own huge bloc of twenty votes in Latin America, plus our numerous allies in western Europe and the British Dominions, not to mention Liberia, Iceland, and the Philippines.

One who reads the records is impressed by the almost monotonous regularity of the 40 to 6 votes by which nearly all resolutions are passed—a result due largely to the violence of the Soviet attacks upon the West. If the dozen states who have so long been awaiting admission came in, the majorities would be about 47 to 11, with the usual number of abstentions.

From the position of the United Nations there would seem to be everything to gain by an agreement to increase its membership from 59 to 71; or 74, especially if the present small Soviet bloc felt a little less lonely and moderated its intransigence. The alternative is to move in the direction, already endorsed by the United States, of depriving the Soviet Union of its right to block ad-

¹⁰ *Yearbook of the International Court of Justice, 1947-48*, pp. 63-64.

¹¹ Alf Ross, *Constitution of the United Nations* (New York, 1950), pp. 41-46.

¹² *Official Records, Ad Hoc Political Committee, Third Session, Part 1*, pp. 65-74.

¹³ *Official Records, Plenary Meetings, 2nd sess., Vol. 2*, p. 1064; pp. 1052-53.

¹⁴ *Official Records, Security Council, No. 4*, August 28, 1946, pp. 42, 47; No. 41, September 13, 1949, pp. 6-7.

missions, that is, to gain the admission of Communist states. This road would seem to lead toward the secession of the Soviet bloc, and perhaps others, from the United Nations.

Election of officers

Two elections have sharply reflected the great-power conflict. In October 1949 Yugoslavia became a candidate for the Security Council with American support, though her split with the other Communist states of eastern Europe made her incapable of representing that area. The Soviet representatives waged a tense campaign for Czechoslovakia, and the United States sent instructions to its diplomatic missions throughout the world. High officials of the United Nations Secretariat worked unsuccessfully for a compromise. When the vote was taken, on October 19, 1949, there was a crisis atmosphere, some fearing that the issue might "tear the world organization apart," while "many delegates resent[ed] having to make such a choice at this time."¹⁵ Yugoslavia won, 39 to 19, with one vote more than the necessary two-thirds.

Her election may be justified from the standpoint of the great-power struggle and of Yugoslavia's exposed position. From the viewpoint of preserving the U.N., there was no gain in the complete isolation of the U.S.S.R. in the Security Council, the votes against her now being changed from 9-2 to 10-1.

In 1950 a similar crisis occurred when the Soviet Union vetoed the re-election of Secretary General Trygve Lie. The United States demanded his re-election on the ground that failure to re-elect would punish him for his strong stand on Korea, and rejected three other candidates who had been second to none in supporting the U.N. in Korea. Representative Austin, speaking with "great

emotion," threatened to veto any other candidate, and the other delegates reluctantly voted an extension of his term for three years.

The Little Assembly

As one means of circumventing the Soviet Union's veto, the United States proposed, on November 12, 1947, the creation of a permanent committee representing all members to consider and report on any dispute or "situation," to recommend special Assembly sessions, and to conduct investigations. The proposal had been watered down considerably on the insistence of the smaller U.N. members. It was still opposed totally by the Soviet bloc, which argued that the prohibition against considering questions which were on the Security Council's agenda was meaningless, since there was always a Western majority of seven which could remove questions from the agenda at any time. The Soviets also pointed out that the West seldom needed to veto anything, since it always had the required majorities to advance or defend its position.

In practice, the Little Assembly has been a useful though not very important organ, without superseding the Security Council.

The Acheson plan

The North Korean aggression led the United States to propose a comprehensive plan, which was adopted on November 3, 1950, for by-passing the veto. It was recognized that the accident of Soviet absence from the Security Council could not be counted on again. Therefore to enable the Assembly to deal with future aggressions, the resolution conferred upon seven members of the Security Council the authority to call the Assembly into session if the Security Council, "because of lack of unanimity of the permanent members," fails to deal promptly with "a threat to

¹⁵ *New York Times*, October 20, 1949. See also September 30, October 3 and 8.

the peace, breach of the peace, or act of aggression."

The "Uniting for Peace" resolution further established a Peace Observation Committee and a Collective Measures Committee, urged the members of U.N. to have armed forces ready and waiting for the Assembly's disposal, and amended the Assembly's rules of procedure to prevent Soviet obstruction of action there.

The arguments for thus by-passing the Soviet Union's veto power are appealing. The U.S.S.R. has vetoed too much. Only its self-imposed absence enabled U.N. to resist aggression in Korea. We must now make sure that the Soviet Union can never veto enforcement action in the future. The primary purpose of U.N. is to restrain aggression, and it must have the right to change its basic law by usage in order to fulfill this primary aim.

The logical circle seems complete. Yet it has been questioned by one of the foremost American authorities on collective security. In his study of "The Development of the General Assembly,"¹⁶ Leland M. Goodrich points out that the aggrandizement of the Assembly's powers is not a "development in terms of the democratic process," nor does the Assembly offer any special advantages as an organ for keeping the peace. On the contrary, the Assembly is not as representative as the Security Council of the power necessary to keep the peace. Because of the Soviet bloc boycott of all its peace-enforcing activities, it may find itself unable to carry out the resolutions passed by a two-thirds Assembly vote, most of the voters possessing little means of implementation. This is "a somewhat unrealistic position" for the Assembly to be in, and the attempt so to use the Assembly becomes "a divisive rather than a unify-

ing influence within the United Nations." Goodrich further observes that

the use of the veto by the Soviet Union, often deliberately invited by those against whom it has been directed, has been evidence of an unwillingness on the part of the Great Powers, and more particularly the United States and the Soviet Union, to make important concessions from positions initially taken.

Faced with impasse in the Security Council, two alternatives were open: to make concentrated efforts to improve great-power relations, or to develop the functions of the General Assembly as they have been during the past two or three years,

with the result that the United Nations loses much of its initial character as a universal peace organization and assumes, in fact, the character of an organization to protect the "free world" against the threats from behind the Iron Curtain.

TOWARD THE FUTURE

The United States might well pause to consider now whether this evolution should be pushed farther. To do so might mean the early crossing of a 38th parallel in the life of U.N., beyond which the membership of the Communist states would seem to them to be useless.

Would it not be wiser to remember that the Soviet vetoes, taken as a whole, are a symptom, rather than the cause, of the deep conflicts of interest in the power struggle? There is much to be said for the belief that "the veto was precisely the one mechanism in the U.N. machinery which made it fit to serve as an instrument of conciliation rather than coercion."¹⁷

The United Nations was created to alleviate the world's tensions and ills. It was not created to develop ideal

¹⁶ *International Conciliation*, May 1951, No. 471.

¹⁷ Ernest Borneman, "The British Disagree With Us," *Harpers Magazine*, May 1951, p. 36.

situations, legally or on the battlefield, but to hold together a world in which the disequilibriums and disharmonies can be adjusted only approximately. Rather than pass "the point of no return" in converting U.N. into a Western military alliance, may it not be better policy to expand its membership to universality and then push mightily the ameliorating, life-giving side of U.N.'s mission?

It would be irksome to us to let the United Nations administer a greatly expanded Point Four program, but the people of Asia will fear and distrust any development program administered by us alone. It would also doubtless be still more deeply irritating to us to have any of our funds spent for constructive purposes by U.N. behind the Iron Curtain. Yet the costs and the mental suffering would be microscopic when compared to those involved in a third world war.

We can proceed, if we choose, on the theory that "only one rogue government, the Soviet Union," has barred the way to the success of the U.N.¹⁸ This is an attitude of mind which can only lead to the breakup of U.N. Only if there is at least an appreciable return, on both sides, to the assumption of great-power negotiation and compromise upon which the Charter was written can U.N. achieve its indispensable function, the prevention of another world war.

The United Nations is our only hope of averting a permanently divided world,

¹⁸ Dean Rusk, Assistant Secretary of State, "From the Class of '31 to the Class of '51," *New York Times Magazine*, June 3, 1951.

with the odds heavily in favor of a final struggle for world domination between the two sides. Nor will it help us greatly to have the law always on our side, if the result is still the destruction of the highly urbanized civilization of the North Temperate Zone.

Thus far the leadership of the United States in the United Nations has been as good as might be expected, in a highly fallible world, from an inexperienced world power suddenly thrust into leadership. We have apparently led U.N. through its first great crisis successfully. Can we now lead in developing its creative mission for the long pull?

On their part, the Russians could afford to avoid the barbed word occasionally and to modify their dogma that we will boom-and-bust and arm-and-fight ourselves into oblivion. We are not obliged to do either. The Communists must learn, too, and be taught, that conspiratorial revolution is not the only way to change outmoded and unjust social orders. The West has ample techniques and means of keeping the stream of orderly reform and progress moving, if it will only use them.

What is the role of a United Nations which has successfully survived the first real, and very bloody, test of collective security ever made on this planet? Surely it is to make a sustained, devoted, even sacrificial effort to join together again in some tolerable relationship the two halves of a world which so desperately needs a truly global exchange of commerce in the goods and services of peaceful intercourse.

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Economic Mobilization—A New Field of Study

By SAMUEL H. MCGUIRE

TWICE within this century the United States has been forced to go to war for the preservation of our way of life. These experiences were notably costly because of our traditional aversion to military preparedness in time of peace. In both instances it was demonstrated that no nation, particularly no democracy, can convert speedily from a peacetime to a modern war status. This difficulty has brought to the fore the need of facility for a new type of study and action—that of economic mobilization. The threat of war has by no means been lifted. Problems and tensions still exist among nations, which fact dictates the need while at peace to consider the problems and procedures for such mobilization.

A nation is expected to be able to perform the duties and to fulfill the obligations which its role in world affairs imposes upon it. The course of events has thrust upon the United States a major responsibility in co-operation with other free nations in the maintenance of peace. The American government has joined with the governments of other nations in preparing for collective security. The United States and Canada have agreed to the continuance of informal and limited military co-operation. This country is a part of the Organization of American States, the charter of which declares that aggression against any American state shall be considered an act of aggression against all American states. The United States is likewise a participant in the North Atlantic Treaty, the signatories being "determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, indi-

vidual liberty and the rule of law," and being "resolved to unite their efforts for collective defense and for the preservation of peace and security." Within the United Nations, this country has co-operated in taking necessary action in extreme circumstances to prevent aggression.

Because of our position in the family of nations, because of the threats of aggression, and because of our commitments to co-operate with other nations to bring about a peaceful world by orderly means, the United States, as well as the other co-operating nations, must be prepared to make its efforts felt. These are the conditions that make economic mobilization a subject of prime importance today.

BEGINNING OF THE STUDY, 1920-39

During World War I the American people were surprised to learn that the possession of vast material, financial, and industrial resources was not a guarantee of ability to produce military matériel in great volume. Although the War Industries Board and other government agencies, staffed by specialists in science, in industrial production, in matériel supply, and in transportation, worked with unceasing energy and broad authority, our actual production of effective arms and munitions fell far short of expectations. American soldiers in Europe found themselves largely dependent on our hard-pressed allies for many essential items of military equipment, including heavy ordnance, anti-aircraft guns, aircraft, tanks, and optical instruments.

In the stocktaking which followed the armistice, our failure to supply our

armed forces with adequate equipment became a matter of public concern. Governmental and industrial leaders who had accepted responsibility for the war production effort in 1917-18 fully realized the errors into which our unpreparedness in planning had led us. It was resolved that the United States never again should fall into the same state of economic unpreparedness.

Congress and the armed forces made active efforts to remedy the weaknesses. The amended National Defense Act of 1920 provided an outline under which machinery for economic mobilization, procurement, and procurement planning could be created. The Assistant Secretary of War, charged with the major responsibilities under this act, immediately established a Planning Branch in his office; economic mobilization was for the first time contemplated as a phase of military planning by a regular military establishment.

It was recognized that mobilization planning required the co-ordination of Army and Navy interests. The Joint Army and Navy Board, therefore, recommended to the Secretaries of War and Navy that an Army and Navy Munitions Board be established. This Board was established in 1922. Although it went through a number of successive reorganizations, its continuing mission was to co-ordinate and plan for economic mobilization in an emergency. In 1931 the first Industrial Mobilization Plan was submitted by the Army and Navy Munitions Board. Three formal revisions of this initial plan followed. The 1939 revision, together with its annexes, represented the culmination of two decades of planning for mobilization in wartime of the economic resources of the nation as a whole.

The outbreak of World War II again found us unprepared, despite the lessons of World War I and despite the

initial steps that had been taken toward organization and planning for mobilization. Once again time was on our side to study the problems and to launch our military efforts.

These early steps toward mobilization planning in the United States after 1920 represented the beginning of a new field of study in the area of political economy. In recent years a vast quantity of data has been developed and utilized, bearing upon the problems of organizing the national resources for effective use in case of a national emergency. The Industrial College of the Armed Forces has for several years offered a course in economic mobilization of the national economy to selected officers. There is abundant need for the further development of this relatively new subject. In the following paragraphs the nature of the new field of investigation and study is briefly outlined.

GENERAL PROBLEMS OF ECONOMIC MOBILIZATION

Economic mobilization can be discussed under three main headings: (1) a survey of the normal economy in action and its potential for military effectiveness—what we start with; (2) the jobs to be done, the legislative authority needed, the agencies required to perform the jobs, the problems likely to be encountered, and the procedures to be followed, in converting the civilian economy to a war economy; and (3) finally, the reconversion to a peacetime economy.

Each of these parts of the total outline represents a major field (or fields) of study. The survey of our economy in action by the student of economic mobilization demands understanding of the characteristic of our free enterprise economy, and of our democratic political institutions and ideals. He will recognize that a major objective of any mobilization for national defense is the

preservation of our institutions and our way of life. It is necessary to recognize the conditions under which active steps toward mobilization are likely to be initiated. The nature of modern warfare must be fully examined, together with the kinds and quantity of materials that a war effort will require to meet both military and civilian demands.

Against this background a full evaluation of national resources available to meet military requirements and to sustain the civilian economy must be made. This demands an appraisal of scarce materials, the possibility of foreign supplies, and the capacity to produce substitutes in case of need. In this appraisal are included all the factors and facilities of production—agriculture, mining, lumbering, manufacturing, transportation, communication, power, manpower, and a research and development program. A survey of the economic potentials for war raises the dominant question of how to utilize these facilities and organize the productive machinery into a unified system to provide the extra materials for war needs on top of the support of the civilian economy.

PROCEDURES

It is essential to appraise fully the capacity of the nation to produce for both civilian and war needs. It is equally important to examine the methods by which the productive resources can be most effectively utilized. This phase of the subject is a study of the nation in action toward two major objectives of production: meeting military requirements and maintaining the civilian standard of living at the highest possible level. It is the mobilization program in action. To mention these processes in any order should not lead to the inference that they will proceed in that order. The program is one of

integrated activities proceeding concurrently. The listing of major jobs to be accomplished will serve, however, to indicate something of the magnitude and the complexity of the program.

The first step is a political decision that mobilization should be inaugurated, along with a tentative estimate of the magnitude. In keeping with the political decision, requirements of the military are determined. This estimate must be made in the light of possible needs, but cannot be independent of available resources and production potentials, or of the effect upon the civilian economy.

A program of normal production for civilian needs plus the requirements of a military program will demand expanded production, additional raw materials, and full utilization of materials. Scarce materials will therefore need to be allocated in relation to prime needs as between the military and the civilian economy. The legal authority for allocations, the agencies to control allocations, and fair and effective methods must be examined.

Economic mobilization is a national program sponsored by the government. It is necessary, therefore, to provide legislative authority adequate to do the job. New government agencies are needed to exercise the special responsibilities. Their authority must be fixed, and existing agencies must take on new powers co-ordinate with the needs of the program. A considerable amount of historical material is pertinent to these problems.

An increased production program requires more workers. Mobilization planning must provide for the manpower to carry production, to staff new agencies, and to supply the personnel needs of the Services. The sources of additional production workers include housewives, high school and college students, and unemployed or part-time workers. In-

centives to attract new workers to the jobs to be done and determination of critical areas and industries are also involved in the manpower problem. Nor can housing of workers, public health, and education be ignored.

The industrial program must be inaugurated, new plants built and equipped, retooling provided for, and the necessary finances made available to industry. Transportation and communication facilities must be directed toward co-ordinating and carrying the extended production efforts. Will industry assume the risks—can it afford to do so—of building the plants needed, in view of the possible temporary needs of production for emergency? What steps must government undertake to encourage business and to protect the public welfare while obtaining full-scale production?

In a mobilization period, foreign trade and foreign economic relations will be different from those of a normal period. The government in co-operation with its allies will conduct its foreign economic policy to enhance the mobilization effort and to defeat that of its enemies and potential enemies. This is an important field for exploration.

The task of supplying the Services with the vast products of industry to enable them to operate effectively is a tremendous one. It involves research and development, the computation of requirements, purchase, distribution, storage, and inventories—a major job in the mobilization program.

The mobilization effort calls for additional funds, which have to be provided through taxes or by borrowing. It is expensive to equip a fighting force for modern war. It is necessary not only to provide the required funds, but also to consider the effects upon the total economy of the financing method chosen. Along with the greater demand for facilities, for materials, and for

workers, the effort to pay for the war produces significant disturbances in the normal operation of the economy. Scarcities appear, money becomes more plentiful and thus stimulates demand, and inflation threatens. It is recognized, therefore, that measures must be taken to maintain a stabilized economy, to assure a return to the most nearly normal situation possible following the end of mobilization, and to cushion the aftereffects.

In a democratic society, the attitude of the people toward the procedures and methods adopted cannot be ignored. The people must be informed and their co-operation sought. Directly or indirectly, public opinion will affect many of the actions taken. This means that a program of public information is essential in order to obtain proper co-operation and to maintain high morale as a guarantee of an effective mobilization effort.

PROBLEMS IN RECONVERSION

It is always assumed that any major effort to mobilize the national economy for national defense will come to an end; at least it will eventually be relaxed. The reconversion period is the final major phase of economic mobilization. The problems involved in this period are of vital importance to the national welfare. For example, when military orders are stopped or canceled, what happens to the plants and the producers of military supplies? How are contracts to be terminated? How will surplus goods be disposed of without excessive loss to the taxpayers and without adverse effects on the market? How can military manpower be demobilized without creating a pool of unemployed and without displacing workers who have served the mobilization effort well? How can the transition be made from numerous controls to an uncontrolled

system? What fiscal policies are needed? These are some of the major questions that have to be dealt with in the period of reconversion. Like all the major problems of mobilization, they deserve study before the decisions must be made.

Our experiences in two major wars have convinced most people that mobilization and reconversion call for an extension of government activity in political and economic affairs beyond the laissez faire concept. The free market does not serve to regulate prices and distribution under the special conditions of mobilization. The usual "demand and supply" principle fails to allocate scarce materials to the most essential production and fails to direct production facilities and manpower into appropriate channels. The normal operations of international trade are disturbed. The government steps in to direct a vast number of operations usually uncontrolled. In effect, new eco-

nomic forces arise, new methods are invoked, and a temporarily controlled political economy emerges. How to return to the desired "normal" economic way of life is a major problem of mobilization.

RESEARCH NEEDED

The foregoing brief survey of the scope of economic mobilization reveals the need for extensive research. The field of study needs to be more clearly delineated. A vast quantity of pertinent subject matter exists. It needs to be organized, systemized, and made more readily available for the students of mobilization who may soon come to play an important part in the processes. The fact is not to be ignored that mobilization consists of preplanning jobs at every step, as well as action jobs. Investigators in this field face a real challenge to develop a factual, comprehensive, logical, and realistic approach to the subject.

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The Budget

By REUBEN E. SLESINGER

THE new position in world affairs that the United States assumed with World War I definitely changed the isolationist attitude which had permeated our international economics since the inception of our country. From a position as a debtor in foreign trade, we became the leading creditor nation of the world. This new role became accentuated during the twenty years following the Versailles treaty. World War II—its financing and aftermath—established the United States as the top world power. The budgetary problems that arise out of this situation are becoming increasingly difficult, but it is imperative that we seek out their solutions if any semblance of economy is to appear in our national budget.

The new responsibilities that the United States has undertaken are most costly. They require such expensive outlays as those for European co-operation, mutual defense, military aid, Point Four, and international defense. These totals rapidly mount to sums far in excess of similar items in the former peacetime budgets. But these new and expanded outlays are only part of the necessary costs of our new world-wide responsibilities. Failure to solve these problems will have untoward impacts upon our domestic economy, primary among which are such drastic consequences as runaway inflation, depletion of our national resources, disruption of our monetary and fiscal policy, and general lack of confidence in the vitality of our economy.

IMPORTANCE OF BUDGETARY DECISIONS

These new problems are brought to sharp focus when we come to the proc-

esses of budget making. The serious nature of "war and aftermath of war" expenditures is readily apparent from our experiences with them—from the American Revolution through subsequent conflicts to the present Korean hostilities. Our budgetary decisions will generate repercussions that will color our economy for many years to come; and these decisions must be made now, when the levels of taxes and spending are already very high.

Whatever solutions we accept, the problem of inflation appears as paramount. The growth of the American economy has always been associated with an expansion in our productive machinery, which has enabled us to increase our governmental outlays both extensively and intensively with no unusual scars on our body politic. But today an unusual increase in our expenditure and tax burden may easily interfere with this growth in our production and result in a serious reduction in the national level of living. It becomes imperative, therefore, that we develop an intelligent policy for handling these problems.

The federal budget has become the instrument responsible for setting the tone for our national fiscal and financial policies. Since the outbreak of Korean hostilities in the summer of 1950, attention has been directed to the growing costs and expenditures and the excess of these over revenue. As a consequence, President Truman has declared that "... we should make it the first principle of economic and fiscal policy in these times . . . to maintain a balanced budget and to finance the cost of national defense on a 'pay-as-we-go basis.' . . ." Support has consistently

been given to the policy by such businessmen's organizations as the United States Chamber of Commerce and the National Association of Manufacturers.

The estimated cost of running the federal government for the 1952 fiscal year, according to the President's budget message delivered in January 1951, will exceed \$72 billion. We may reflect that one billion dollars alone would purchase enough \$2,000 automobiles to line them bumper to bumper from Dallas, Texas to New York City. Further, \$72 billion would provide some nine million homes worth \$8,000 each, or would furnish approximately \$475 for each man, woman, and child in the country, or would account for more than double the total agricultural income of 1950.

But before getting far into the analysis of the federal budget, it will be well to devote a little attention to the mechanics of its construction, since this has a direct bearing upon its eventual pattern, which, in turn, has long-time repercussions.

THE BUDGETARY SYSTEM

Prior to the development of the present budgetary system, each department of the federal government drew up its own financial estimates and then submitted these to the appropriate congressional committee. As a consequence, disjointed and unco-ordinated budgets were submitted to the different congressional committees, with resultant confusion and lack of control.

The disadvantages of such a system became more noticeable and dangerous when the federal budget assumed new peacetime financial proportions in the wake of World War I. As a consequence, a new procedure was developed in 1921. The President was given the responsibility of preparing an annual single budget that would depict *all* estimated revenues and expenditures for *all* the activities of the government. A

fiscal year running from July 1 to the succeeding June 30 was prescribed.

About a year prior to the fiscal year under consideration, each spending unit is asked by the Bureau of the Budget to estimate the amount of funds that it will require for the coming fiscal year. Each department has a budget officer who has the responsibility of getting estimates from his subdivisions as to spending needs. By means of subsequent reviews, revisions, and consultations, a final budgetary estimate results and is forwarded to the Bureau of the Budget.

The Bureau of the Budget scrutinizes these independent estimates most carefully, not only with regard to the financial magnitude of the requests, but also to see that the requests are consistent with all constitutional and congressional enactments. Then the Director of the Bureau submits a unified budget, covering all these separate estimates, to the President, who forwards his budgetary recommendations to the Congress.

The Presidential budget message submitted in January reviews the actual expenditure and revenue data for the preceding fiscal year, the revised estimates for the current fiscal year, and the recommendations for the coming fiscal year in question.

Congressional committees and subcommittees review the budgetary recommendations and conduct hearings; and bills are submitted for debate on the floors of the House and the Senate. The appropriation and revenue bills, as well as the separate expenditure bills, must be passed by both houses and be approved by the President or passed over his veto.

Specific authority must be granted by Congress before any funds may be expended. In this connection we find a few confusing terms in use in federal fiscal accounting. Total *authorizations* indicate what the government is per-

TABLE 1—NEW AUTHORIZATIONS

Function	1951 Fiscal Year Authorized and Proposed (in billions)	1952 Fiscal Year Recommended (in billions)	Totals
Military services	\$54.2	\$61.0	\$115.2
International security and foreign relations	9.0	11.0	20.0
All others	24.2	22.4	46.6
Totals	\$87.4	\$94.4	\$181.8

mitted to spend; whereas *budgetary expenditures* indicate the amounts actually expended during the period under question. These amounts need not coincide. Appropriations may be available for a specific number of years; or they may be permanent and not require action by Congress annually; or they may have no time limits whatsoever. Thus the *new authority* of the Treasury to incur financial obligations becomes the algebraic sum of the various authorizations less any amounts that are earmarked specifically for liquidating sums due that are the result of previous contractual obligations.

For example, new authorizations in the budget message delivered in January 1951 called for \$87.4 billion for fiscal 1951 and \$94.4 billion for 1952.

However, over \$77 billion of the 1951 total had been authorized previously. Of the total of \$181.8 billion, almost 75 per cent centered around military appropriations (\$20 billion for international security and \$115 billion for the military services). Table 1 depicts the story of new obligating authority as outlined in the 1951 budget message (January 1951).

However, a considerable time lag usually exists between authorization and expenditure. A number of factors may contribute towards this time lag, such as the time consumed in planning and contract negotiations, appropriations made for a period in excess of a year, or the time consumed in the actual production and procurement of the goods and services. For instance, the estimated authorizations for the two fiscal years depicted in Table 1 ran to \$182 billion; whereas the estimated actual expenditures are placed at some \$63 billion less, or at \$119 billion. Table 2 outlines this situation in more detail.

According to the budgetary cost figures, the actual cost of running the federal government for the 1952 fiscal year will advance some \$32 billion over 1950 and some \$25 billion over 1951. Most

TABLE 2—BUDGETARY EXPENDITURES (in billions)

Function	1950 (Actual)	1951 (Estimated revised January)	1952 (Estimated January)	Change 1950 to 1952
Military services	\$12.3	\$21.0	\$41.4	+\$29.1
International security and foreign relations	4.8	4.7	7.5	+ 2.7
Finance, commerce, and industry	0.2	0.4	1.5	+ 1.3
Transportation and communication	1.8	2.0	1.7	- 0.1
Natural resources	1.6	2.1	2.5	+ 0.9
Agricultural resources	2.8	1.0	1.4	- 1.4
Social security, welfare, and health	2.2	2.5	2.6	+ 0.4
Veterans services and benefits	6.6	5.7	4.9	- 1.7
Interest on debt	5.8	5.7	5.9	+ 0.1
All others	2.1	2.1	2.2	+ 0.1
Totals	\$40.2	\$47.2	\$71.6	+\$31.4

TABLE 3—BUDGET RECEIPTS (in billions)

Source	1950 Actual	1951 Revised estimate January	1952 Estimate January	Change 1950 to 1952
Income tax				
Individuals	\$17.4	\$21.6	\$26.0	+\$ 8.6
Corporations	10.9	13.6	20.0	+ 9.1
Excise taxes	7.6	8.2	8.2	+ 0.6
Employment taxes	2.9	3.8	4.7	+ 1.8
Miscellaneous receipts	2.6	2.6	2.8	+ 0.2
<i>Total budget receipts</i>	<i>\$41.4</i>	<i>\$49.8</i>	<i>\$61.7</i>	<i>+\$20.3</i>
Deduct				
Appropriations to Old-Age and Sur- vivors Insurance Trust Fund	\$ 2.2	\$ 3.0	\$ 3.8	+\$ 1.6
Refund of receipts	2.2	2.3	2.8	+ 0.6
<i>Total deductions</i>	<i>\$ 4.4</i>	<i>\$ 5.3</i>	<i>\$ 6.6</i>	<i>+\$ 2.2</i>
Net budget receipts	\$37.0	\$44.5	\$55.1	+\$18.1

of this advance, it must be remembered, takes place in the field of current defense expenditures. These figures are all tentative and may vary considerably with the fortunes of our military ventures and the degree of our mobilization. Undoubtedly more funds will be forthcoming for such items as tanks, airplanes, electronics, rockets, stockpiling, troop service, and increased industrial capacity. International security and foreign relations will also draw more funds through more military and economic aid and mutual defense. Promoting the expansion in defense production and the cost of administering the various economic controls will account for about 90 per cent of the funds allocated to finance, commerce, and industry. The cost of wars and their aftermath also makes up a substantial share of the budget. The trend in non-defense spending has also been upward, rising from \$4.7 billion in 1946 to \$10 billion in 1950.

Receipts, too, have undergone drastic changes during the past few years. Estimates of receipts for the coming fiscal

year are usually prepared in December—a few months after the consolidated budget is forwarded to the President. Estimates of receipts made now are subject to much change in view of the uncertain international situation, the status of proposed new tax legislation, and the changing levels of income and production and the consequent tax base. Table 3 reviews the picture of federal budget receipts.

In spite of the over \$18 billion increase in receipts, revenues will still fall short of expenditures. Some of this deficit may be made up through increasing levels of production and income which may improve the tax base.

ECONOMIC IMPLICATIONS OF THE BUDGET

A budget that reaches the size of the current federal budget necessarily exerts tremendous influences upon both the flow of national income and the distribution of goods and services. Federal fiscal policies exert additional influences upon the economic structure through the

TABLE 4—CASH BUDGET TRANSACTIONS

Transactions (1950 fiscal year)	Budget accounts (billions of dollars)	Trust accounts (billions of dollars)	Total (billions of dollars)
Receipts	\$37.0	\$6.7	\$43.7
Deduct:			
Intragovernmental transactions	\$ 0.1	\$2.7	\$ 2.8
Noncash transactions	—	—	—
Income from monetary authority	—	—	—
Cash received from public	\$36.9	\$4.0	\$40.9
Expenditures	\$40.2	\$6.9	\$46.8
Deduct:			
Intragovernmental transactions	\$ 2.7	—	\$ 2.7
Noncash transactions	0.6	0.1	0.7
Total deductions	\$ 3.3	\$0.1	\$ 3.4
Cash payments to public	\$36.9	\$6.8	\$43.2*
Changes in cash balance and borrowing:			
Excess of cash payments over receipts			\$ 2.3
Increase in Treasury cash balance			2.0
Net cash borrowing from public			4.3
Total cash receipts from public including net borrowing			\$45.2
Total cash payments to public			\$43.2

* Discrepancy due to rounding of component figures.

processes whereby funds are taken out of the private money stream and come to the Treasury and then flow back by means of payments to the public. These operations have serious repercussions upon the distribution of the national product and hence upon the demand for goods and services. However, these influences must be considered in view of the goals that we set for a wartime mobilization economy. These goals involve a combination of increased production for national defense, maintenance of a stable economy without the pressure of excessive demand, and the distribution of the defense burden in as equitable a manner as possible.

The real impact of Treasury operations upon the economy is determined by the flow of cash into and out of the

Treasury. When the Treasury collects funds, cash receipts are drained out of the hands of the public. This process reduces both bank deposits and bank reserves if the Treasury is paid by means of checks. When the government, in turn, makes its cash payments, funds are returned to the public income stream. This, then, adds to bank deposits and reserves. If Treasury "payments-out" exceed "revenue-in," total income is increased and the effect is inflationary. Contrariwise, when revenue exceeds payments, buying power is reduced as deflationary tendencies are generated.

Cash receipts and expenditures generally differ from budgetary estimates of receipts and expenditures. Several types of transactions account for this

difference. For example, trust fund transactions do not appear as budgetary receipts or expenditures, but they do affect the volume of cash received from and paid to the public. In 1950, trust fund cash receipts reached \$4 billion and expenditures passed \$7 billion, including some \$3 billion of National Service Life Insurance refunds. Adjustments must also be made for transactions such as interest paid by the government on governmental funds invested in government corporations, pay-

ments from the government to the trust funds, and payments from the trust funds to the government. Table 4 analyzes the cash budget transactions.

When the excess of cash payments over receipts is not made up by new taxes, the result is a substantial addition to money incomes. This increases consumer demand at a time when the shortages of civilian goods are increasing as an additional inflationary force. Vigorous steps to restrain demand will become necessary if this inflationary

TABLE 5—BUDGET EXPENDITURES FOR FISCAL YEAR 1951 AND 1952
(in billions of dollars*)

Item	1951	1952
<i>Budget totals</i>	<i>\$47.2</i>	<i>\$71.6</i>
Deduct major national security programs:		
Military services	21.0	41.4
International security	4.7	7.5
Atomic Energy Commission	0.8	1.3
Defense production and controls	0.3	1.4
Civil defense	0.02	0.3
Maritime activities	0.2	0.3
Defense housing and community facilities	—	0.1
Dispersal program	-0.006	0.2
Total major national security programs	\$27.1	\$52.5
<i>Remainder</i>	<i>\$20.1</i>	<i>\$19.1</i>
Deduct major fixed and continuing charges:		
Veterans services and benefits	\$ 5.7	\$ 4.9
Interest	5.7	5.9
Permanent and indefinite appropriation	1.5	1.4
Reconstruction Finance Corporation	- 0.09	- 0.04
Federal National Mortgage Association	0.2	- 0.5
Commodity Credit Corporation	- 0.2	0.3
Home Loan Bank Board	- 0.1	- 0.01
Public Assistance grants	1.3	1.3
Public roads	0.5	0.5
International Wheat Agreement	—	0.1
Foot and mouth disease control	- 0.002	- 0.03
Reserves	0.1	- 0.2
Total major fixed and continuing charges	\$14.6	\$14.0
Budget Totals, Excluding Major National Security and Fixed and Continuing Charges or Totals for Current Governmental Operations	\$ 5.5	\$ 5.1

* Totals do not always add up exactly because of rounding of component figures.

pressure is to be kept in check. Defense production adds to income without adding to the supply of civilian goods. Expanded production cannot be relied upon to close the gaps, in that such expansion is not available for civilian use.

Taxation then becomes the major fiscal weapon for attacking this inflationary pressure. It touches the real source of the trouble by drawing the excess purchasing power off the market.

The impact of federal activities must also differentiate between the purchase of goods and services and other expenditures, such as those for social welfare activities and grants-in-aid, which constitute transfers without draining the productivity of the national economy. Table 5 presents a more detailed review of the federal budget for 1951, revised in January 1951, and the fiscal 1952 budget as estimated at that same time.

One approach to this problem of war-time budgetary deficits is the suggestion that we adopt a pay-as-we-go program. As indicated above, there is much support for such a proposal. If the increased tax bills that President Truman has suggested should be enacted, federal taxes would rise some \$16 billion (assuming the present level of national income). This added to the already existing estimated yield of \$55 billion would take care of the proposed \$71-72 billion budget for fiscal 1952 and place it on a pay-as-you-go basis. Such a tax bill would constitute almost a fourth of our net national product. This would be more than during World War II, when federal taxes accounted for 19 per cent of net national product in 1943 and 18 per cent in 1944 and 1945.

There are many questions of policy occasioned by the economic repercussions of such a tax bill. When taxes are raised to such levels in a free economy, they exert definite effects upon

necessary economic incentives such as those to produce and invest. And if the incentives to invest are curtailed, more untoward repercussions will be felt when shortages become serious during the postwar years. This should not be taken to imply that there should be no tax increases. Taxes should be relied upon for military items that will become recurring and permanent, but not for those of an immediate emergency nature.

The pay-as-you-go advocates contend that such a program is anti-inflationary. But, taken alone, such would not be the case. President Truman looks upon such a tax program as one of a group of controls. This tax program may fall far short of being anti-inflationary, since it must be remembered that the basic cause of the inflation is the disparity between consumer purchasing power and the supply of goods, which results in the bidding up of prices. Most of the suggestions for raising these funds through taxes do not reach the increased income. The proposals usually call for increased corporate and other business taxes, which would not check the tendency for consumer purchasing power to outrun the quantity of available goods. Higher income taxes in the lower brackets of income might be more effective in this respect, but such a tax proposal is politically unpopular. The former tax generates an unwillingness to invest on the part of the entrepreneurs, especially in risky ventures.

There are many who object to federal borrowing on the ground of the size of the federal debt. Much of this opposition reflects a misunderstanding of the nature of federal finance and the federal debt. The real costs of defense, or any other federal expenditure, cannot be shifted in the sense of postponement of their burden to a future time. This remains true regardless of the manner of the financing. The real costs include

the exertions of the economy necessary to produce the wartime material. They include the goods and services that are currently being produced but are not available for civilian consumption because they are drained off for the military machinery. Thus, the real costs of a federal expenditure program are met on a pay-as-you-go basis.

A desirable method of borrowing for the current program could easily take the form of nonnegotiable governmental securities. Thus, purchasing power would be drained off the market, anti-inflationary tendencies would result, and a closer balance between available goods and the demand for them would ensue.

EXPENDITURE ELEMENTS

Let us now review the expenditure elements in the budget with more detail in order to determine whether any savings might be effected in these items. Some estimates, such as studies by Senator Byrd, indicate that the budget might be cut as much as six to nine billion dollars. Areas in which reductions might be made include public works, federal grants-in-aid, subsidy programs, and the administrative reforms outlined by former President Hoover. A genuinely economy-minded Congress appears as one of the main hopes at the present time for any real budgetary control without economically undesirable tax levies.

In reviewing the federal tax program we find a sharp increase in reliance upon direct taxes, both personal and business; and it is this type that would be increased today. Such taxes accounted for half the federal revenue in 1939 and for 78 per cent in 1950, but would rise to 83 per cent under the current pay-as-you-go proposals.

An effective tax program at this time, as well as at other times, ought to follow definite principles of sound taxation.

The tax base should be broad so that all groups share in the burden and any increases in it. It is estimated that about $\frac{7}{8}$ of all income remaining after taxes is represented by returns of taxpayers showing \$10,000 or less of income. Taxing annual incomes in excess of \$25,000 at a 100 per cent rate would raise only about one billion dollars more in revenue and would be decidedly uneconomic because of the adverse repercussions outlined above.

The outbreak of Korean hostilities threw a sudden bombshell into our fiscal program. We had been moving along at a reduced and more stabilized rate of federal expenditures since World War II, with the prospect of some healthy reductions in the "war and war aftermath accounts." But all of this was upset during the summer of 1950. In the fiscal year 1950, military expenditures, including military assistance under the North Atlantic Pact, totaled about \$15 billion. Plans for fiscal year 1951 called for a rate not in excess of this amount. The task now presented by the armed situation is not yet at the stage of World War II, but it leaves the public with too much uncertainty as to the future expenditure and tax program.

Should the defense mobilization program not go beyond \$75 billion annually, the drain on our economic system might not be too serious. The increase in military output up to about 10 per cent of our national production may be assimilated through absorption of the unemployed, increased hours of work, normal increases in productivity, and the entrance of more women, children, and other persons into the labor force. It must be remembered that speed is necessary for the successful culmination of this program. It is as a consequence that the inflationary potential looms dangerous. It is essential that this potential be restrained at its source—the excessive demand.

CIVILIAN EXPENDITURES

The primary requirement as far as federal expenditures are concerned is that we curtail the nonmilitary expenditures as much as possible. Economies could come from a number of sources, ranging from public construction to the elimination of the postal deficit. The military expenditures must be co-ordinated and economized for maximum efficiency and effectiveness.

over a billion dollars. Another \$1.2 billion would be saved by cutting out that request which would enable the government to construct, own, and operate plants and facilities for war production. At such a time as the present, the government is in no position to invade the field of private business. Not only would this be expensive and commit us to many future changes, but it would also go far towards reducing the incentive for private industry. Private

TABLE 6—FEDERAL CIVILIAN EXPENDITURES FOR SELECTED YEARS
(in billions of dollars*)

Item	1945 Actual	1946 Actual	1950 Actual	1951 Revised estimate January	1952 Budget message
Finance, Commerce, and Industry	0.10	0.10	0.25	0.40	1.50
Labor	0.20	0.20	0.25	0.20	0.20
Transportation	0.20	0.40	1.75	1.40	1.10
Natural resources	0.25	0.25	1.00	1.30	1.25
Agriculture	1.60	0.70	2.80	1.00	1.46
Housing and social development	-0.15	-0.20	0.25	0.40	-0.10
Education and research	0.15	0.90	0.15	0.15	0.50
Social welfare and security	1.05	1.10	2.20	2.50	2.65
General government	0.80	0.90	1.05	1.10	1.25
Veterans affairs	2.10	4.40	6.65	5.75	4.90
Total civilian expenditures	6.40	8.00	16.30	14.20	14.65

* Totals do not always add up exactly because of rounding of component figures.

The National Association of Manufacturers, through its Government Spending Committee, recommended a reduction of some \$4.65 billion in the 1952 federal budget.¹ This committee reasons that a drastic curtailment of the civilian activities of the government is necessary when so much of our national effort is devoted to military purposes. The 1952 budget called for an increase of some 750,000 civilian employees. The committee would cut this in half through more efficient staffing of agencies and departments, thus effecting a saving of

industry should be encouraged to construct these necessary facilities, as through accelerated amortization.

The government loan policy should also be curtailed at the present time. A substantial list of new public works included in the 1952 budget might either be eliminated entirely or curtailed drastically. Civil public works expenditures have been increasing too rapidly during the last few years, rising from \$1.7 billion in 1949 to \$3.4 billion as projected for 1952. Under the present emergency conditions, this latter figure must be shaved considerably. Table 6 presents in more detail the story of federal expenditures in recent years.

¹ National Association of Manufacturers, *Cutting Non-Defense Spending Now* (February 1951), p. 3.

Every effort must be made in connection with our fiscal policies to eliminate all unnecessary expenditures and to reduce the nonmilitary and nondefense outlays to an absolute minimum. The wide range of goods that the government demands at the present time in itself has a serious effect upon our economy. This expansion of federal spending during the mobilization period will produce an unheralded demand for goods and services by the civilian economy.

REASONS FOR GOVERNMENT ECONOMY

The government will find it necessary to practice economy also as a phase of the program designed to get the general public interested in practicing economy in its personal expenditures. It should not be inferred that the slashes called for should be indiscriminate. On the contrary, the situation calls for a careful examination of all expenditures against the standard of necessity of the defense economy.

Economy is necessary also in state and local expenditures, which are now about as large in total as the federal nonmilitary outlays.

The foregoing does not mean that the military may go on spending promiscuously without economy. Waste in military expenditures not only places unnecessary burdens upon the economy, but it also endangers the success of the military mission. Military procurement is one of the worst avenues of waste in this respect.

The need for government economy is

self-evident. To pay for a mobilization effort such as we have undertaken means doing without a number of customary goods and services and reducing our living levels until our tremendous productive machinery is enabled to catch up with the various demands being made upon it. Increased taxes and savings will be necessary to curb purchasing power not only of the public but also of industry. Selective credit controls will also contribute towards this result. Public expenditures on the part of all government units may well be curtailed and restrained. The federal government becomes the leader in assuming this responsibility, and the manner in which it demonstrates its capabilities will leave a lasting imprint upon our economy. The various levels of government now demand about a third of our national income to meet their expenditures. At such levels, the more goods and services and factors of production enter into government channels, the less are available for private use.

The foregoing analysis has attempted to indicate the nature of the fiscal and financial problems that confront our government during this mobilization period. The suggestions that have been presented by way of solving these problems have attempted to distribute the burdens that are involved as equitably as possible. All segments of the national economy should be called upon to realize their duties, to assume their responsibilities, and to contribute their utmost towards keeping our economy in a favorable state of balance.

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Economic Stabilization*

By THOMAS BLANCHARD WORSLEY

IF we let inflation run away, the Russians will have won the cold war without firing a shot." Such was the high light of the President's statements to congressional leaders and to the public in June 1951, a month which vividly illustrated the complexity of the stabilization problem. He stressed the Soviet goal of encouraging the weakening of capitalist economies. It was a theme which he and his chief lieutenants in the mobilization and stabilization agencies had emphasized during the fight on what the Director of Defense Mobilization, Mr. Charles E. Wilson, had called "Domestic Enemy No. 1," and the "most subtle, the most difficult and the most important" problem of all.

OPPOSITION TO STABILIZATION MEASURES

While the administration was fighting vigorously for strong direct and indirect stabilization measures, Title IV of the Defense Production Act of 1950, which pertains to direct price and wage stabilization, was under strong attack from powerful private organizations. These groups expressed favor for stabilization exclusively by indirect measures such as higher taxation, monetary and credit controls, and material controls, rather than also by ceilings over prices and wage rates. They argued thus despite the long history of political opposition to drastic fiscal policy. Some also pressed the point that the primary answer to inflation is more production.

At that time, prices of some basic commodities, certain soft goods, and a

few consumer durables had been sagging for some weeks, and retailers here and there throughout the nation were engaged in feverish price-cutting "wars." Although the administration emphasized that the lull was temporary because the peak of defense spending would not be reached until fiscal years 1952 and 1953, and although the latest cost-of-living index was at a record high, the temporary softening of some prices was used by sellers as a powerful argument against any need for price control. As June wore on there seemed to be a real possibility that Congress would either not renew price and wage control legislation or would weaken it or would at least fail to strengthen it, despite urgent Presidential recommendations for such strengthening. The Soviets chose this crucial moment in the debate over the control legislation to propose a cease fire in Korea.

During this battle on the home front the unorganized consuming public of America (notably "the housewife"), although urged by national leaders to expect at least ten years of international tension, although certainly conscious of the Korean war, and although the most numerous party at interest in the inflation fight, seemed to be looking the other way and in apathetic mood. Few appeared to be exhibiting the qualities necessary for the success of an anti-inflation program.

On the last day of June, Congress gave its answer in the form of a mere one-month extension of the stabilization legislation, which weakened the control powers. Throughout July the issue was debated vigorously. The act which emerged on July 31 continued

* This article was prepared before the author became associated with the Office of Price Stabilization.

the diluted powers. The President denounced it as "the worst I ever had to sign." It prohibited further rollbacks of beef and livestock prices although the latter had exceeded 150 per cent of parity, outlawed the meat distribution (slaughtering quota) system upon which a main hope of preventing black markets in meat rested, and required certain rollforwards in prices of manufactured goods and in margins of wholesale and retail items. It failed to strengthen parity provisions or permit the Office of Price Stabilization to license sellers as an enforcement power. The Director of Price Stabilization predicted that consumer prices, especially food prices, would soon rise again, carrying farm parity prices and wage rates with them, and that prevention of the ironing out of price-cost distortions by more rollbacks, as well as some increases, would make it impossible to achieve a balanced price structure except at a much higher plateau. There was, thus, grave danger to the entire stabilization effort, to public confidence therein, and to the morale of the stabilization staff itself.

THE POLITICAL ASPECT

The United States stabilization history of June and July, 1951, thus illustrated in capsule form, and underscored, what threatened to be the great domestic dilemma of the decade of the fifties. The obvious fact was that, especially in time of mere cold war, "economic" stabilization was far more a political than either an economic or an administrative problem. It offered further proof, if any were needed, that "political economy" is a more appropriate term today than "economics." The great question was whether those whose duty it was to think in terms of protecting capitalist democracy *in general* against inflation could provide adequate leadership to win majority sup-

port among those whose primary effort went into fighting for special *segments* of capitalist democracy, thereby sometimes endangering the system as a whole. The need was for a balance among political-economic group pressures. The problem of attaining it was far greater than under conditions of total war. And each new relaxation of the international tension—perhaps deliberately calculated by the Soviet world to weaken our resolve and effort—would provide a new test of American imagination, wisdom, statesmanship, and stamina. As the fiscal year 1952 began, America indeed seemed "hell bent for inflation."

The stabilization objective, of course, grew out of the warming up of the cold war, resulting from the Korean situation. This forced the United States to drive toward a stronger military force in being, plus an economy of instant and constant "readiness." It meant the unveiling of "America's great nonsecret weapon"—production. The production would be concentrated upon finished defense goods and upon industrial plants, materials, and components needed to expand our potential and to strengthen our allies through grants of military assistance. Its ultimate aim was peace and deterrence to aggression through strength.

EFFECTS OF DEFENSE PRODUCTION

The addition of defense goods production to existing production creates additional income from wages, salaries, profits, and other sources. Unless there is substantial slack in the economy (that is, considerable unemployment of manpower, facilities, and other resources), there will necessarily be a reduction in civilian goods available for purchase. Consequently the use of resources for production of armaments diverts them from production of civilian goods. The increased purchasing power

resulting from expanded incomes is thus not offset by an increased value of finished nondefense goods. In other words, there is an "inflationary gap" between the total effective demand for and the supply of civilian goods.

The result is an upward pull upon the prices of such goods and indirectly upon prices of basic and intermediate goods, including farm products. Farm product price ceilings also tend to rise because of parity price adjustments and speculation. Growing shortages of manpower lead to rising wage rates, as do rising prices of consumer goods. An inflationary spiral may thus arise through (1) the demand-suction resulting from higher incomes and (2) the cost-push due to higher wage rates and prices of materials and components. The cost-push has become an ever more important element in our economy, even in peacetime, because of the strength of organized agriculture and labor and because of semimonopolistic and monopolistic pricing by many business concerns. Its strength is very great during a time of mere partial mobilization.

RESULTS OF INFLATION

The consequences of inflation in the business community are too well known to require extended elaboration. Shifts in general price levels bring uneven changes in the cost-price structure, resulting from the relative stickiness of some costs and prices, and of the incomes derived therefrom, and the relative sensitiveness of others. Incomes from some important sources other than profits tend to remain relatively inflexible in nominal amount and to decline in purchasing power. Inflation thus disrupts production and distribution of goods through its effects upon the morale, the incentives to work and save, and the pressure for efficiency among both workers and managers, and stimulates the urge to strike for higher

wages or to seek better-paying employment in order to meet the rising cost of living. Inflation creates, among producers and distributors, the tendency to hoard goods and manpower expected to be in short supply or to purchase in order to speculate upon price-rises. In this way, it may so unbalance the distribution of materials, components, and manpower as greatly to impede the orderly and efficient production of munitions and other essentials. It thereby weakens government controls over the distribution and use of productive resources.

As to consumers, of course, inflation impairs the purchasing power of fixed incomes from pensions, social security, insurance policies, bonds, mortgages and other loans, annuities, and the endowment funds of hospitals, colleges, and charitable, religious, and scientific institutions. It especially squeezes unorganized wage and salary earners in industry, state and local governments, and educational institutions. It pinches some lower income groups, necessitates their scrimping and self-denial, creates family tensions, and forces mothers of young children to take jobs. It therefore strikes especially hard at the weaker elements of the community. It sets profit-seeking groups against fixed-income groups and tears at the vitals of national unity at a time when unity itself is a "must." It destroys faith in the national currency and in promises to pay, through which our society functions. Some of the tragic hyperinflations of history have completely changed the composition of national societies, destroying the middle class with its stabilizing influence, and leaving behind a small, bloated, propertied class at the top and a great mass of propertyless at the bottom, the latter ripe for adoption of "isms" which promise to improve their lot. Even the former are only relatively, not absolutely, fortunate, be-

cause extreme inflation reduces productivity.

For commodities having military end-use, inflation results in adding to government expenditures (and perhaps to debts) and in decreasing the quantity which can be purchased with a fixed amount of congressional appropriations. Some have argued that the latter is not a serious problem, because Congress can always increase appropriations, which results in increasing government expenditures, private incomes, and government tax receipts on the basis of these increased incomes. This view overlooks the fact that the increase in taxes tends to lag behind the increase in expenditures and generally fails to offset the quantity of increased expenditures. It depreciates the fact that increased prices of defense goods, therefore, have expansionary and inflationary effects upon civilian incomes and the prices of goods purchased by civilians. It also ignores the considerable administrative work load and disruption due to the need to recompute budget estimates and appropriations at frequent intervals.

The unpredictability of production costs, due to inflation, may cause defense contractors and government procuring agencies to rely excessively upon cost-type contracts, escalator clauses, informal letter contracts, and undue allowances for the contingency of cost increases in fixed-price contracts. The result is a further feeding of the fires of inflation through a failure to create the maximum pressure and incentive among contractors for cost reductions and for the efficient use of scarce manpower, materials, and other resources. Failure to conserve such resources reduces the production of defense goods derivable from a limited total of resources. This could be serious in a war in which America, which has only 6 per cent of the world's population, might well be greatly outnumbered in manpower and

even at a disadvantage in some vital material resources.

INFLATIONARY PRESSURE

While direct anti-inflationary action was postponed after the Korean outbreak in June 1950, inflation itself got an early start. Powerful inflationary pressure resulted from the fact that, unlike the situation in 1939-41, the economy was operating relatively close to its capacity, and the unemployment of productive resources was comparatively low. The liquid assets, spendable incomes, and borrowing power of consumers and businesses were close to the highest levels in our history. Anticipation of inflation and uncertainty as to the size and duration of a dreaded war brought about a spree of scare buying by both consumers and sellers, as well as speculation and profiteering. These factors caused considerable pressure upon prices of both domestic and imported articles long before there was any appreciable increase even in procurement appropriations, and still longer before there was any increase in actual expenditures for munitions. Later increases in military budgets and appropriations added to the public's anticipation of inflation and the resulting buying rush.

By January 1951 it was clear that inflationary pressures would grow as the defense program expanded. It was anticipated that the annual rate of defense spending would increase from almost 20 billion dollars to a figure between 45 and 50 billion dollars by the end of the year. This would mean increasing the proportion of the total national product devoted to defense from 7 per cent to approximately 18 per cent within one year. Such a development would divert resources from the civilian sector of the economy and necessitate curtailment of the production of many civilian goods.

STABILIZATION STRATEGY

By what over-all plan should the inflation problem be attacked? This question was debated almost from the beginning of the Korean outbreak. The economic controls aimed at limiting changes in the price level and the price structure—in other words, at the stabilization or leveling of the ups and downs and the balancing of price-cost relationships—are divisible into direct controls and indirect controls. The direct controls include those which specify upper limits for prices, wage rates, rents, or profits, or which actually “fix” them at stated levels.

The indirect controls are those such as government fiscal policy (changes in levels of expenditure, taxation, and encouragement of saving through bond sales to the public and to nonbanking businesses), restrictions upon money and credit, the rationing of individual and business expenditures, and priority, allocation, and conservation orders. All these indirect stabilization controls attack inflation close to its source by dampening or sterilizing demand for goods in limited supply. Additional indirect measures which might be mentioned are increased production, increased importing, and decreased exporting. However, the frequent argument that production is the only necessary weapon against inflation overlooks the fact that the anti-inflationary effect of added supplies may not materialize until long after the increase in production has itself led to higher purchasing power, as well as the previously mentioned fact that defense goods do not normally enter consumer markets.

Against direct controls.

While some have favored the use of direct price and wage controls ever since the summer of 1950, there has also been

considerable reluctance to use them. This reluctance grows out of:

1. The belief that the cold war may be of many years' duration and that the nation must place itself on a basis of constant and instant readiness rather than of total war.

2. A fear that direct controls would break down in such a long period of little-war-no-peace, because of the group pressures and the halfhearted public acceptance and perhaps some outright violation of such controls, due to the peacetime inadequacy of patriotic incentives. The view is that direct controls during such a period might become as unpopular as the prohibition legislation, similarly lose their effectiveness, give rise to black markets, uptrading, and quality deterioration, and thereby be rendered much less useful if later needed in all-out emergency.

3. The desire to avoid “strait-jacketing” the economy (that is, destroying much of the flexibility inherent in a free price system).

4. The nightmarish memories of the administrative strains and the political stresses connected with direct price and wage controls during World War II.

5. The realization that ceilings over prices and wage rates do not attack all the basic causes of inflation but deal largely with symptoms, and suppress the steam by putting a lid on the kettle.

6. The fact that in the absence of pay-as-you-go taxation, direct controls lead to a great “overhang” of liquid assets which may later bring inflation. Thus inflation is in part merely postponed, not prevented. Government debt also grows.

7. A consequent preference among many for primary reliance upon indirect stabilization measures. This places emphasis upon pay-as-you-go taxation; sale of bonds to individuals and nonbanking businesses; restriction of non-defense bank loans to producers, con-

sumers, and purchasers of real estate; and priorities and allocations for shortage materials and components.

A large proportion of public and private economists, as well as many business and farm groups, have favored the indirect approach from the beginning of the Korean emergency to the present. Some prefer indirect stabilization measures as the sole approach, and even those who favor at least some use of direct price and wage controls admit and welcome the supporting of direct controls by strong fiscal, monetary, credit, and material control policies.

Weaknesses of indirect controls

The latter realize that ceilings cannot do their job as well without the demand-dampening effects of restrictions upon purchasing power and upon competitive bidding for limited resources. Nevertheless, they disagree with those who argue that direct controls would not be necessary at all if fiscal and monetary controls were used with adequate ruthlessness and energy. They doubt whether such ruthlessness is either politically or economically feasible—especially politically.

Certainly there is nothing in past or current history to cause a strong feeling that Congress will legislate a drastic fiscal and monetary program. No one even knows precisely how strong a dose of fiscal and monetary medicine might be required or whether it could be made sufficiently timely and flexible to keep up with varying needs. If it were strong enough to halt inflation, it might interfere with incentives to produce, to increase efficiency, to save, or to take risks. Fiscal and monetary policy cannot adequately prevent increases in prices of industrial materials or speculation in basic commodities. It cannot adequately prevent rising wages from pushing up prices or increased prices from pulling up wages, once productive

capacity is being strained. Direct price and wage controls and limitation orders are much better adapted for these purposes.

While a pay-as-you-go program would take enough taxes out of current income to offset defense expenditures, it could still fail to balance total demand and total supply. First, taxation may fail to keep pace with increased private incomes. Secondly, taxation of current incomes fails to soak up the billions of liquid assets in saving bonds, bank accounts, and cash, which business concerns and individuals have accumulated out of *past* incomes (and may spend, especially if convinced that prices will go up); to absorb purchasing power generated by capital-goods expansion; or to prevent credit-buying out of future incomes.

The scare buying following June and November 1950 was undertaken largely by "dissaving" such accumulations of liquid assets and by borrowing (that is, by drawing against future incomes). This inflationary buying took place during a fiscal year when the federal budget showed a substantial cash surplus. Reliable sources have attributed the stoppage of such scarce buying and the decrease of inflationary pressure in large part to the establishment of direct price and wage controls and credit controls, which lessened the public fear of future inflation, and to the related accumulation of inventories. The general public has much more confidence in visible, direct controls than in the more subtle, invisible, indirect controls. This is an important practical and psychological consideration.

Finally, even if strong fiscal and monetary policies could be used to bring about an equilibrium of total demand and total supply, they would succeed only in stabilizing the average price level, while permitting substantial shifts in price and cost relationships. This

would mean that some prices would continue to rise and have a tendency to feed the spiraling process. It would therefore be necessary to allocate or ration on a broad scale and perhaps to tighten the fiscal and monetary screws so hard as to risk impeding production and to cause unemployment and business failures.

It is especially debatable whether fiscal and monetary policy alone could achieve the central and crucial objective of preventing sharp advances in the cost of living. Under the wage policy of reflecting changes in the cost of living in basic wage-rate adjustments, and the policy of reflecting increased non-farm product prices in farm product parity price adjustments, costs and incomes both tend to advance significantly with consumer prices. Increased wage and material costs thus tend to upset the stabilization of prices of both consumer and nonconsumer goods. Increased wage incomes tend to outrun further tax advances and pull up the prices of important consumer goods.

Since it may be more difficult to encourage people to avoid hoarding goods, and to save, today than during the late war (in view of the vivid public memory of wartime and postwar shortages and inflation), and since supplies of consumer durable goods decrease as a result of defense demands, a strong but partially frustrated urge to increase consumer spending is to be expected. It therefore appears that the increased spending effort will necessarily turn to nondurable consumer goods, such as food and clothing. Direct control over prices of such goods—extremely difficult to administer even in wartime—thus becomes the central problem of stabilization. This is discouraging when one recalls the statutory limitations and powerful organized opposition to direct control over prices of pivotal components of the cost of living.

An eclectic system needed

In summary, neither a system of direct controls of prices and wages *alone* nor a system of conventional fiscal, monetary, and credit policies *alone* is likely to provide an adequate solution for the stabilization problems of today. In World War II we succeeded in arresting inflation through the "disequilibrium system"—dependence upon direct price and wage control, rationing, and voluntary saving, along with conventional fiscal and monetary policies which were inadequate to close the inflationary gap. This would stand less chance of success today because of previously mentioned factors.

Accordingly, none of the conventional indirect and direct stabilization methods may be adequate by themselves, and even in combination they may eventually not prove to be sufficiently strong to prevent creeping inflation, a great "overhang" of liquidity and debt, and a later inflation that leaps instead of creeps. There may eventually be a strong case for use of some less conventional fiscal and monetary measures such as expenditure rationing, spendings taxation, new types of federal securities and methods of flotation including compulsion, new controls over bank reserves, and organized efforts to make certain incomes less "fixed." This may be true even during partial mobilization. An all-out war would be almost certain to make at least some of the less conventional methods essential. In any event, an eclectic and balanced system of controls, both direct and indirect, is needed today, and both conventional and unconventional steps may be required later.

INDIRECT MEASURES

Tax policy

Even though pay-as-you-go taxation is not the complete answer to inflation,

it is the major tool of anti-inflationary fiscal policy. It was more than attained in fiscal 1951 and would be attainable in fiscal 1952, Congress permitting. It will be more difficult to balance the 1953 budget.

The effectiveness of a balanced budget, or preferably a cash surplus, depends largely upon the types of taxes used to achieve the balance or surplus. Taxes which primarily reduce consumption expenditures are more anti-inflationary and less anti-production than those which, in larger part, reduce savings. This means that taxation must fall heavily on the great mass of consumers in the low and middle income groups. The main possibility is in taxation of personal incomes and commodities.

In addition to increased normal taxes and surtaxes on individual incomes, the proposal by the Committee for Economic Development of a special tax on residual incomes, after existing exemptions and taxes, holds much merit and has received the attention of Congress. It should be less destructive of incentives than would flat additions to present normal tax and surtax rates.

The case for considerable dependence upon excise taxes is also strong today. While excise taxes have their disadvantages, including their tendency to get into the cost of living and wage rates, they may have less adverse effect on incentives than exposure of low income groups to higher marginal rates of income taxes through reduced exemptions before this is absolutely necessary. Excises also allow taxpayers the choice of reducing taxes by decreasing their spending.

Corporate profits taxation has a place as a stabilization measure, as a revenue measure, and as a profit limitation measure. If such taxation is not to deter efficiency, conservation of resources, and stabilization, it should be spread adequately over *all* profits rather than

concentrated upon "excess" or marginal income.

Every effort should be made to reduce the fat in the federal budget, both military and nonmilitary. The problem is perhaps more political than economic, but many items should be reducible.

If the situation becomes such as to require sterilization of existing liquid assets, as well as discouragement of spending out of current incomes and borrowings, less conventional means may be necessary. There is considerable difference of opinion as to the administrative feasibility and effectiveness of measures such as expenditure rationing and a spendings tax. Certain recent studies, however, indicate real possibilities for expenditure rationing administered through limitation on the use of bank deposits, rather than through the coupon system called for in some schemes. Such "general" rationing would require strong support from other fiscal and monetary measures and perhaps even from some specific rationing. A spendings tax such as that proposed in World War II by the Treasury Department but not adopted by Congress, part of which would be paid back after the period of heaviest government outlays, also merits attention.

Debt management, monetary and credit controls

If, despite efforts at heavy taxation, it becomes necessary to *increase* the federal debt (as, and in, refunding *existing* debt), the objective should be to limit the quantity of securities sold to the commercial banking system and the Federal Reserve banks and to reduce their liquidity. This could be accomplished by using higher-interest non-marketable securities which banks are not eligible to purchase and which could be redeemed only to meet specified emergencies. If sufficient securities can-

not be sold to voluntary nonbank purchasers, it may eventually be necessary to require compulsory loans by individuals and business firms through payroll deductions and business quotas. The current encouragement of security holders to extend the maturity of their contracts is also proving helpful.

The Treasury's wartime and postwar desire to maintain a stable market for federal securities at low interest rates long meant that the Federal Reserve was forced to stand ready to purchase securities at the will of the market. This made it impossible for the Federal Reserve to use its open-market operations (sales of securities) in such a way as to combat inflation by letting security prices decline until the market was self-supporting.

The Federal Reserve, however, now gives less support to the federal securities market (that is, is a net seller of securities). The new policy has had the desired effect of discouraging institutional investors which hold federal securities (for example, insurance companies which lend on real estate) from selling them in order to make new loans and investments at higher rates of interest. The Treasury has also succumbed to pressure to permit slightly higher interest rates on some securities, as an anti-inflationary measure.

While the Federal Reserve has made efforts to restrain credit through both voluntary and compulsory curbs (including increasing reserve requirements to the statutory limits for most banks), the System may require additional power to control reserves of both member and nonmember commercial banks. It may be necessary to require all commercial banks to cease their acquisitions of federal securities in excess of holdings on some base date or to require a 100 per cent reserve against the increase of their deposits above some base-date level, such "special" reserve to be either in

short-term government securities, cash, or noninterest-bearing deposits at Federal Reserve banks. This would deter banks from selling these securities in order to provide reserves for expanding credit and would strengthen the effectiveness of open-market operations and changes in rediscount rates in curtailing credit. Selective controls, that is, consumer, stock, and commodity margin, and real estate credit controls, are also necessary parts of an anti-inflationary program. The first three are now in use.

The concerted drive to encourage public saving should prove worth while, but its success will depend partly upon the effectiveness of the stabilization program itself.

DIRECT PRICE CONTROL METHODS

The experience of January 1951, when the General Ceiling Price Regulation and accompanying wage regulation were established, proved that a small staff can produce "freeze" regulations rapidly when necessary. A general "freeze" of prices and wage rates soon after the Korean outbreak would have decreased the inflation and the administrative problems resulting from squeezes, distortions, and inequities in cost-price relationships which eventually developed. The delay in establishing a freeze was due more to uncertainty over the duration of the Korean conflict, and desire to avoid direct controls if possible, than to doubt over the economic desirability, administrative feasibility, or public acceptance of a freeze.

A freeze is the logical first technique in price control, because it is a holding action which is valuable while better regulations are being formulated. It leads almost immediately, however, to the need for tailored regulations to meet particular situations and to decrease squeezes, distortions, and in-

equities. The "formula" type of regulation, which tells the seller how to calculate his own prices by using a base and adding or subtracting for cost changes, is thus a logical second stage in direct price control. Both the freeze and the formula type of regulation have their disadvantages and are most useful as interim restraints. Dollars-and-cents ceilings have greater precision, can be better tailored, and are easier to enforce. Their chief drawbacks are the administrative work load which they entail and their lower adaptability to varying cost and quality situations and to industries having many sellers.

Since the interim freeze and formula regulations require less staff than the dollars-and-cents regulations, it is apparent that the Office of Price Stabilization emphasis has proceeded in logical progression from the first two to the third as the size of its staff has expanded. The long uncertainty over legislative amendments, however, considerably delayed the imposition of important formula and dollars-and-cents regulations by OPS, resulting in loss of valuable time, effectiveness, and public support.

The various interim formula regulations of the OPS at retail, wholesale, and manufacturer levels have understandably controlled margins and mark-ups more than prices. They permit the pass-through of increased costs to a large degree. This means that success in stabilizing prices will depend largely upon the effectiveness of controls at farm, wholesale, and manufacturing levels, as well as controls over wage rates and import prices. This is a most serious problem in view of the statutory restrictions upon control of farm product prices, the sliding scale arrangements for reflecting rising costs of living in wage rates, the statutory limitation upon rollbacks, the encouragement of rollforwards at manufacturer, wholesale, and

retail level under the amended Defense Production Act, and the fact that many import prices may continue to rise as landed costs increase. We must beware of "logrolling inflation."

One ray of hope lies in the fact that, under the amended legislation, only the increased costs of manufacturing up to July need be reflected in computing ceilings. Costs increasing since July 26, 1951 must be absorbed under the "industry earnings standard" established by the Economic Stabilization Administrator. The profits of recent years indicate the possibility of absorbing substantial cost increases in many sellers' profit margins. Organized labor and agriculture are less likely to absorb cost increases, because of the sliding scales necessarily applicable to them. A main possibility of "holding the price line" may thus rest upon absorption of costs in profit margins.

Equally important in holding the line is determination of the part of the price stabilizers to resist pressures except in rare and special circumstances where price changes should be made in the interest of fairness or incentives to produce defense goods. Rollbacks should be made where soft markets and equity may permit. Soft markets should not be used as excuse for decontrol because of its chain-reacting psychological and economic effects and the administrative difficulty of later recontrol.

The importance of food, clothing, and house furnishings in the cost of living makes the control of farm product prices especially significant. Control of such prices is made difficult by the need for reconciling parity price adjustments with general stabilization. The effect of parity is especially uncertain, although justifiable on grounds of balance and equity. If a ceiling is placed on an agricultural commodity price that reaches parity, it may be impossible to maintain the ceiling long or

predict its duration. Consequently there is much logic in the proposal that parity prices in effect at the beginning of each marketing season be used in establishing price ceilings to prevail during the entire subsequent season. Such a provision would strengthen control over the cost-of-living and wage rates.

Other measures needed to strengthen direct price controls are provision for differential subsidies, programs for government purchase and resale of certain imported strategic and critical materials, international allocations of certain strategic and critical commodities, licensing of sellers, and constant support from our own rent and materials controls. In addition, our position of leadership requires this country to continue to participate in the efforts of other free countries to combat inflation, which is even more a problem in some nations than in the United States.

Control of defense goods prices

The limitation of prices of defense goods—basic, intermediate, and finished—and of the capital goods used to produce them is second in importance only to the control of prices of consumer goods. Close pricing of defense goods provides greatest risk and incentive for saving scarce resources, human, material, and financial.

Defense goods account for some \$50 billion per annum, the bulk of the federal budget, and approach one-fifth of the gross national product or expenditure. Inflation has already eaten into procurement appropriations to a serious extent.

For the control of prices of commercial-type items, basic and intermediate, price ceilings are preferable to reliance solely upon the techniques of government procurement agencies and higher-tier contractors. It is practicable for a price control agency to place ceilings upon such items, but difficult for con-

tracting agencies to reach them, because they are often purchased under subcontracts. In general, commercial-type items purchased by the government, whether for military or other use, should be placed under ceilings in order that the government may not be accused of bidding up their prices. Exclusively military end-items, components, and subassemblies, however, may be better priced by contracting agencies than by the price control authorities, because of changes in costs of production resulting from altered specifications, increased production of new and unfamiliar articles, and changes in volume and man-hour productivity.

This philosophy has been followed, generally, both in World War II and today. Today at least 75 per cent of the total procurement dollar spent for end items is exempt from price ceilings, which places a heavy challenge and responsibility upon procurement and renegotiation agencies in pricing, repricing, and renegotiating contracts. Our system of decentralized procurement locates major responsibility for actual operations in the pricing and repricing of defense goods with a number of procurement offices. The higher procurement echelons, however, have an inescapable responsibility for review of contract pricing and repricing operations at all levels.

Under conditions of urgency and change which make close initial contract pricing almost impossible, close repricing becomes extremely important and must be discharged effectively. This requires adequate price consciousness and sufficient staff, quantitatively and qualitatively, of contract price estimators and analysts who are instructed in the best techniques available. Since forward pricing and repricing of individual contracts cannot prevent all excessive profit, however, the "backstops" of over-all, company-wide renegotiation

and excess profits taxation are also important.

DIRECT WAGE AND SALARY CONTROLS

While incentives and fairness must be maintained, direct control of wage and salary *rates* is necessary in order to facilitate acceptance of price and profit control by business and agriculture, to reduce maldistribution, excessive transfer, and waste of manpower due to competitive seesawing of *rates* of pay, and to dampen the previously mentioned cost-push of higher rates of pay and the upward demand suction of higher wage and salary *incomes* upon prices.

Nevertheless, the essential government policy of permitting automatic or bargained escalation in basic wage and salary *rates* to meet rising costs of living means that, in effect, the most important stabilizers of basic wage and salary *rates* are the price stabilizers. Furthermore, the policy of stabilizing wage and salary *rates* rather than total wage and salary *incomes*, although essential to provide incentive for maximum and efficient production, means that the major agents for curbing consumers' take-home *incomes* must be the fiscal authorities.

Also, during mobilization total wage and salary *incomes* should and do increase for many reasons in addition to higher basic wage and salary *rates*. These reasons include larger numbers of employees and more hours of work; premium and bonus payments for overtime and extra shifts; general "slippage"

due to individual promotions and merit and length-of-service payments; fringe (health, welfare, vacation, pension) benefits; tandem wage increases, correction of wage rates below minima established in the Fair Labor Standards Act; correction of "inequities" and settlement of "rare and unusual cases" so as to allocate manpower to critical occupations and essential industries.

In addition, the inflationary effect of adjustments in wages and salaries to reflect increased productivity may fail to be offset by increased output and lower unit costs at a time when much output is of a type which does not find its way into civilian consumer markets.

Accordingly, wage and salary ceilings exercise only light restraint, and during partial mobilization may be chiefly valuable in facilitating acceptance of price and profit controls, not in limiting business costs and consumer incomes.

Since cost-of-living adjustments in wage rates are merely permitted by the government, not mandatory, they protect only those groups in strong enough bargaining position to take advantage of them. Unorganized recipients of fixed incomes may therefore ponder the proposals of Professors Slichter and Harris of Harvard. The former has suggested cost-of-living adjustments in all fixed incomes, and the latter has urged greater organization among unorganized groups. Some have labeled these proposals impracticable and "defeatist," but if we may be faced with years of "logrolling inflation," such ideas may warrant serious attention.

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Policies and Procedures for Limited Mobilization

By MANLY FLEISCHMANN

WHICH is more important in a mobilization program—guns or plumbing supplies?

The mistaken belief that this question was capable of an accurate answer bedeviled mobilization officials in the months prior to Pearl Harbor and for more than a year thereafter. The illusion that all of the various military, industrial, and civilian products required to support a war effort might be rated on a scale of absolute preference resulted in the adoption, abuse, and, later, collapse of a multiband priority system which played havoc with the American industrial machine for almost two years and resulted in serious losses of output in many lines.

The fact of the matter is that the question just posed cannot be answered. When this lesson was finally learned early in 1943 the nation was started upon the road to an ultimately successful plan for allocating materials and equipment in support of an all-out mobilization effort.

A slight modification of the question will reveal clearly the difficulties inherent in a categorical answer. Suppose the question is altered in this manner: which is more important, the last gun of ten million which are to be manufactured, or the plumbing fixture necessary to keep the New York sewer system in operation? Obviously, although the general answer to the first question would seem clearly to have been "guns," the answer to the second question is just as clearly the "plumbing fixture."

The fact of the matter is that what we need in a mobilization effort is a specific number of guns, tanks, and planes, a certain amount of industrial

equipment, and a minimum supply of those items essential to support a basic civilian economy. Obviously, these goals will be changed from time to time, both by limitation of feasibility and because of changes in the composition of the military program arising from shifts in the military situation. What is needed, in short, is a quantitative determination of a program capable of accomplishment, and a selection of procedures designed to carry it out.¹ Nearly two years elapsed following the declaration of war before this seemingly simple fact was fully appreciated and the Controlled Materials Plan was adopted and perfected as a result.

THE DEFENSE PRODUCTION ACT OF 1950

When the Defense Production Act was passed on September 8, 1950, the experience of World War II was still fresh in the minds of those charged with the administration of the act. I think it fair to say that that experience has been put to efficient use in the present program. If the operation to date has not been 100 per cent successful, that is because the size and complexity of the task make perfection an unobtainable goal and because the reality of changes forces continuous adjustment. Nevertheless, it can be demonstrated that the extensive operation conducted during the past months by the National Production Authority, the Defense Production Administration, and associated agencies has been carried out

¹ See "American Security: Lowest Common Denominator," Eliot Janeway's searching article in the *Harvard Business Review*, Vol. XXIX, No. 4, July 1951.

according to a plan carefully conceived and executed with a reasonable degree of efficiency. All judgments, particularly those regarding governmental operations, must necessarily be comparative.

It always has been fashionable to accuse any administrator of creating boundless and needless confusion. Having served in such complicated and sprawling government agencies as the Office of Production Management, the War Production Board, the Navy, the Office of Strategic Services, the State Department, and, more recently, the Commerce Department, and having also been associated with many private business concerns, I can advance some claim to being considered a connoisseur of confusion. For reasons which I shall attempt to make clear, it is my belief that the present effort has been carried on with a minimum of confusion and that we are in fact well on our way to reaching the objectives which were determined shortly after the act was passed. In this connection, the most appropriate general observation which comes to mind is that made by Dr. Samuel Johnson when he was asked to comment on the activities of a woman preacher. His statement was that her efforts reminded him of a dog dancing on its hind legs—it was not well done, but he was surprised that it could be done at all.

The condition of the national economy in September 1940 was very unlike that present in 1950 and 1951. At the earlier date, the nation had just emerged from a long depression; there was much slack in the economy, and substantial reserves of materials and manpower were available for employment in the mobilization effort. In the fall of 1950 we were at a peak of a record production boom in which use of scarce materials had hit all-time highs and unemployment was almost nonexistent.

At about the same time, the nation reactivated an essential but neglected policy of stockpiling certain vital materials, as a result of which these materials, particularly metals, were diverted from the production machine to lie in stock as a guarantee against later shortages. As a consequence, the supply of many of the most basic materials available for use in 1951 to meet the increased burden of rearmament and essential production is necessarily smaller than that which was available in 1950. To make this scarcity even more acute, manufacturers generally used up their very large inventories of scarce materials in the all-out civilian production effort of 1950, so production in 1951 has to be accomplished without this large inventory backlog.

OBJECTIVES OF MOBILIZATION EFFORT

Faced with these facts, those charged with responsibility for carrying out the mobilization effort determined that the following objectives would constitute the general program for the operation:

Munitions production and stockpiles

The first and primary objective then and today is the production on schedule of a substantial volume of munitions. Unlike a program for all-out war, the present armament program has been limited in size from the start. The goal has been to equip a comparatively small but highly trained army, navy, and air force and at the same time to provide the necessary capacity for greatly increasing the volume of munitions production on short notice if an all-out emergency should develop. It has been a cardinal principle of the present mobilization effort that the comparatively modest rearmament program and the Atomic Energy Commission program must be kept on schedule without interference from other industrial or civilian production; to date that has

largely been accomplished; the delays that have been encountered have not been due to materials shortages in any substantial degree.

Strengthening of supporting industry

No war can be won, and no nation can be prepared for war, through the manufacture of munitions alone. The special machine tool which builds jet engines is equal in importance to the engine itself. Merchant ships are needed to carry the guns around the world to our allies; new electric power capacity must be brought in to support the increased production of aluminum for planes; freight cars and tank cars must be provided in increased volume; and a thousand and one additional industrial items have to be provided to support the rearmament effort. This strengthening of supporting industry is indispensable to any successful rearmament effort.

Expansion of basic productive facilities

The present mobilization effort required the setting of an objective which was of peculiar importance because of the nature of the national emergency. In time of war, it has been demonstrated that the American people will accept regulation and controls with considerable fortitude because they expect that the controls will be ended with the victory which Americans never doubt is just ahead. The present emergency does not permit any such optimism; there is no reason to believe that the international climate will improve sufficiently to permit us to abandon our rearmament program in the next few years. On the contrary, we may well have to maintain large armed forces for five, ten, or twenty years, with a continual drain on our material resources.

Faced with this probability, it was decided that we must provide a different kind of termination for the inevi-

table period of scarcity which we are now entering. The program therefore called for an all-out effort to expand our production of basic materials such as steel, aluminum, synthetic rubber and fabrics, chemicals, and many other items. The theory behind this expansion was that the increased production would soon permit us to support a reasonable rate of armament production in addition to normal industrial and civilian production, and that this could be accomplished within a period of about three years.

The expansion of basic productive facilities has therefore remained a main objective of the mobilization effort, and that expansion is now well under way. In addition, we are now engaged in expanding foreign productive facilities for such items as Chilean copper.

Maintenance of civilian production

When the needs of these vast programs have been provided for, obviously a greatly reduced supply of material will be available for fabrication into civilian goods, at least for a temporary period. As a matter of fact, the demands of industry for unlimited expansion would make it very easy to pre-empt the entire supply of some of the shortest materials, such as aluminum, copper, and nickel, leaving nothing at all for civilian production, as was done during World War II. Those responsible for the mobilization program decided at an early date that this was not to be permitted to happen except in the event of all-out war.

While it was clear that civilian production had to be reduced, it was determined that civilian industry must not be wholly shut down, because of the vast economic dislocations which would accompany such an operation. On the contrary, it was decided that a reduced but adequate production of civilian goods, including automobiles, re-

frigerators, and the like, was essential to the maintenance of a strong economy, and that the industrial expansion would have to be limited sufficiently to permit the maintenance of such a level of civilian production.

Two and two continue to make four, this being one fact which no government can alter. It follows that maintenance of civilian production, even at a reduced rate, cannot be supported without some interference with all-out expansion of basic industry. The importance of quantitative determinations as to the amount of material to be allotted to the various segments of the nation's production program during the two or three years of acute scarcity is therefore obvious.

Equitable distribution to civilian producers

As a corollary to the last objective, the need for making an equitable distribution of material among the producers of civilian goods, in view of the reduction of their over-all allotment, has been constantly recognized. To make this point clear, let us assume that there is an over-all reduction of 35 per cent in the amount of material which can be made available for civilian production. If each producer of civilian items could obtain 65 per cent of his normal supply of materials under such conditions, there would be no need for extensive government regulation in this area. Unfortunately, however, as every administrator, congressman, and businessman knows, no such automatically equitable distribution takes place. Lacking government regulation, the large concern with established dealer relationships and greater purchasing power tends to continue operation at 100 or 125 per cent of normal, while the smaller, less secure concern gets a constantly diminishing share of the reduced supply of materials.

In Section 701 of the Defense Production Act of 1950, Congress wisely provided that when such a situation occurred the government must undertake to correct it. Accordingly, equitable distribution of materials available for civilian supply has remained a principal concern of the mobilization effort from its inception. These were the policies and goals set up early in the mobilization effort and adhered to consistently ever since. I will now describe the procedures which were adopted to carry them out.

WORLD WAR II EXPERIENCE

At the outset of our consideration of these procedures, it will be helpful to recall the trials and errors of our World War II experience. This will take us back to an examination of our original question as to the relative importance of guns and plumbing supplies.

In the early days of preparation for World War II, it was confidently believed that a simple priorities system alone would serve as a satisfactory method of distributing materials throughout American industry. The theory was that all guns were more important than any plumbing supplies; consequently the producer of guns was given an A-1-A priority, the producer of machine tools was given an A-1-B priority, and the hapless producer of plumbing supplies had to get along with a B priority or with none at all.

The vast size of the military program and the supporting industrial program which was soon authorized made the system unworkable almost from the start. Priority certificates were issued by the millions. As these became inadequate, general orders were issued allowing producers of various classes of items to assign their own priorities. The priorities were extendable by the end product manufacturers to their subcontractors and eventually down to the ma-

terial producers. Since priorities were thereby issued greatly in excess of the available supply, they soon became hunting licenses of varying effectiveness in securing materials and components. The result was the production of tanks without axles, planes without electronic devices, and the virtual elimination of essential civilian production.

In order to correct this impossible situation, the priorities system was continuously inflated and new series of superpriorities were issued monthly, each requiring an immediate juggling of production scheduling.² It has been estimated that as much as 25 per cent of the production of many important items was lost as a result of this merry-go-round of priority inflation.

At long last, the War Production Board discovered that no system of priorities could accomplish an efficient distribution of materials, since the problem inherently was not qualitative but quantitative in nature. The fact of the matter is that in the mobilization effort the production of the irreducible minimum of civilian goods is just as important as the maximum production of munitions of war. This tardy realization led to the adoption of the Controlled Materials Plan, which is simply a mechanical means of distributing the known supply of the three basic metals—steel, copper, and aluminum—among the competing demands. CMP did not work well at the outset, and never worked perfectly. Nevertheless, it was a great improvement over the priorities system, and ultimately it worked well enough to produce a vast volume of military, industrial, and essential civilian goods without substantial losses such as those which were engendered by the priorities system.

² John Lord O'Brian and Manly Fleischmann, "The War Production Board Administrative Policies and Procedures," *George Washington Law Review*, December 1944.

All this was known to those entrusted with the administration of the Defense Production Act in the fall of 1950, and the experience did not go unheeded. It was appreciated from the outset that some form of Controlled Materials Plan would have to be adopted for a substantial part of the economy at an early date; this was so stated by Secretary Sawyer and General Harrison as early as January 1951. The questions which were thereafter debated had to do with the timing of CMP and the extent of its application, both of which were legitimate and necessary subjects of discussion.

WHY A CONTROLLED MATERIALS PLAN?

It would be well at this point to review the various arguments as to the necessity for a Controlled Materials Plan and the extent of its application. It has been suggested that no such complete system of controlling production is required, since the direct military program is unlikely to absorb more than 20 per cent of the national product unless an all-out war should come.

The fact of the matter is, however, that the demands of the direct military program are not of any particular significance in reaching a conclusion as to the necessity of CMP. As I have pointed out, the supporting and related programs, such as production of machine tools, ships, freight cars, and the like, and the vast program of industrial expansion have an almost equally important claim against the limited supply of materials. When the whole of the demand represented by programs which can reasonably be claimed to be essential to a mobilization effort is totaled, it will be found that considerably more than half of the nation's resources will be required if these goals are to be met.

In the second place, the demands of the military and supporting programs are highly selective. Thus, the demand

for structural steel in the fourth quarter of 1951 is approximately 220 per cent of the total available supply. The direct military program alone takes all the columbium-bearing steel. The requirements of essential industry for nickel and cobalt cannot currently be met, and civilian uses of these materials have been most drastically curtailed. Under these circumstances, it is obvious that a fairly complete system of channeling scarce materials to essential programs is required if mobilization goals are to be met on schedule.

Substitute proposals

It has been suggested that the mobilization job could be done satisfactorily if a simple priorities system were established for the direct military program, and the nation's metal suppliers were then directed in a general way to allocate steel, copper, and aluminum to their regular customers on a historical basis. This method has recently been advocated by some officials of the steel industry. In my judgment, we could not expect to get the mobilization program through on schedule if such a procedure were adopted. The essence of any mobilization program is a shift from a normal peacetime pattern of material distribution to an emergency distribution in which specialized industrial consumption of material is accelerated, while civilian or less essential uses are curtailed. In the mobilization effort the machine tool industry needs twice as much metal as it consumed in the premobilization months, while many other industries have to be drastically restricted. No such distribution could be obtained through the use of a historical pattern.

As a corollary to the proposal just discussed, it has been suggested that the entire job of materials distribution might be accomplished by a series of limitation orders fixing the rate of op-

eration for particular industries. It is true that if this method were skillfully employed, it could bring about a rough balance of supply and demand. Exactly this approach was used until the advent of CMP. It was learned during World War II, however, that a more precise method of distribution was required to ensure continuity of production in essential industry, and our experience in the present effort is exactly the same. Most industrialists feel that when the government drastically limits their consumption of scarce materials, the government must accept a concomitant obligation to see to it that they get at least the reduced amount. When the product involved is essential to the mobilization effort, reliance on a broadside method such as limitation on all phases of production is simply inadequate. What is needed is precise allocation to industrial plants such as can be accomplished under CMP.

Economic and military effects

During the first quarter of its operation, July-September 1951, there was a "free area" under CMP where civilian producers obtained their own materials but were subject to limitation orders as to the amount of their take. There were early indications that this method was unsatisfactory, for the reasons just stated; and consequently all substantial users of the metals were operating under CMP by the last quarter of 1951. This development does not seem to be a disaster, nor do I think it will damage in any way the basic structure of the American economy. We operated a 100 per cent CMP successfully in World War II, and can do it again for the period of this comparable national emergency. CMP was promptly terminated after the Japanese armistice, and it will be terminated again the moment supply and demand come into a more normal relationship.

In this connection, I should also point out that the CMP method is an adjustable one. It seems highly probable to me that we can release the distribution of carbon sheet steel from CMP control at a comparatively early date while retaining control for other metallic shapes and forms, and perhaps adding CMP control for the distribution of metals not now similarly controlled.

I also wish to call attention to what seems to me to be the one undeniable reason for the adoption of CMP. It is perfectly clear that in the event of an intensified war, we would need CMP and need it in a hurry. Unfortunately, such a plan cannot be put into operation in less than about eight months' time. The most compelling reason for adopting CMP at the earliest possible moment, therefore, was the simple consideration of preparedness. We now have the plan in operation and are consequently that much nearer a state of preparedness for any emergency. As between criticism for excessive government regulation and criticism for failure to take adequate precautions against a national disaster, I think it was wisely decided to risk the former.

CMP OPERATION METHODS

A brief review of the methods actually employed to date will demonstrate that the progress of the mobilization effort in this field has been in fact a planned and orderly one. At the outset, it was realized that while CMP was an ultimate necessity, it could not under any circumstances be put into operation before the third quarter of 1951. The institution of such a system requires the accumulation and analysis of requirements figures, both military and industrial. No such figures were in existence prior to the spring of 1951, nor could they be provided.

The ascertainment of military re-

quirements, for example, involves first the fixing of the strategic concept in the light of available and anticipated congressional appropriations. When this has been done a catalogue of munitions and supporting equipment must be prepared; such a catalogue includes literally hundreds of thousands of items. This catalogue must then be analyzed to determine its metallic content in steel, copper, and aluminum. This analysis requires the most extensive research and reporting, running down through the ranks of innumerable contractors and subcontractors. More than this, steel as such cannot be allocated; specific forms, shapes, and sizes have to be determined. The timing and scheduling of the program must then be settled. This operation consists of two phases—first the determination of delivery dates for finished military products, and second determination, by use of lead time factors, of the dates on which raw materials must be delivered to ensure incorporation into the end products in accordance with the ultimate delivery schedules.

By reason of the vast complexity of this operation, many experienced consultants advised us that CMP could not be put into effect before the last quarter of 1951. We reached the conclusion, however, that if we adopted substantially the same plan that we used in World War II, without major variations, we should be able to speed up the schedule; and this was accomplished.

PRE-CMP METHODS

During the nine months intervening between the establishment of the National Production Authority and the inauguration of CMP it was obviously necessary to use less efficient methods to maintain the military program on schedule and to accelerate essential supporting programs. For this purpose we

employed a simple priorities system and a variety of material limitation orders. The priorities system works very well under either of two circumstances. First, when the program for which preference is sought is comparatively small, the priorities system will ensure scheduled delivery for that program. Second, if a quantitative control, such as CMP, is employed, a priorities system can also be usefully employed in order to ensure delivery of materials other than controlled materials and components in support of authorized production schedules.

Since the authorized military program in the fall of 1950 was very small a one-band priority system was adopted, but at the outset limited to that program. As a result, the military program was put on schedule and remained there for many months. Later failures to meet military schedules have been due primarily to tooling difficulties rather than to material shortages.

It was understood from the start that we should have to enlarge progressively the area of production covered by the priorities system. By reason of the importance of such programs as machine tool production it was apparent that the use of preference ratings could not be confined to the direct military program. On the other hand, we had in mind the disastrous effects of the uncontrolled use of priorities in World War II and so were able to avoid a comparable disaster in the spring of 1951, as gradually and somewhat grudgingly we extended the use of the system to a variety of essential programs. By and large, the priorities system remained effective until the advent of CMP, simply because ratings were never issued in excess of the estimated supply. In nearly all cases the issuance of ratings was confined to less than half of that supply.

METHODS SUPPLEMENTARY TO CMP

At the time this article is being written, consideration is being given to the institution of a separate and superior preference rating for the military program. As part of the CMP procedure, all companies receiving allotments are authorized to use preference ratings to obtain materials and components not specifically allocated. The CMP preference rating thus tends to become largely an identification symbol for an approved program. Under such circumstances, there is danger that preference ratings issued for certain scarce components and materials may exceed the supply. In the long run this can be cured by more specific allocation of those items. Meanwhile our No. 1 objective remains to complete the military program on schedule, and it well may be that a second rating band will be required for this purpose. This was found feasible during World War II, since none of the disastrous results of priority inflation recurred after the institution of CMP.

As a supplement to the use of the priorities system, we have also made liberal use of the limitation order technique for the purpose of bringing authorized demand into approximate equality with supply. Just as in World War II, many different types of limitations have been used including limitations on the use of specific materials and limitations aimed at reducing the production of certain civilian end products, as well as limitations on nonessential construction. Despite these limitations, many of which were attacked as being too drastic when issued, unemployment has continually decreased and productivity increased—an indication that the limitations were applied with either skill or good fortune. This channeling of scarce materials away from less essential production into more

essential production resulted in increases in output of items most needed for defense, such as freight cars which went from 5,137 units in September 1950 to 9,644 units in June 1951, and machine tools which rose from \$30,050,000 to \$51,700,000 worth of shipments in the same period.

PROGRESS AND EFFECTS

The third-quarter allocations for CMP were issued on schedule with a minimum of confusion. Analysis of fourth-quarter requirements and supply was followed by the issuance of allotments in August. Very few producers are satisfied with the allotments which they have received. This was expected; when demand far exceeds supply, there is no way to keep everyone happy. On the other hand, most producers welcome the assurance that they will be able to obtain the amounts allotted, even though these amounts have been reduced. We recognized that the third-quarter operations would be short of perfection

because of inadequate information and experience, on the part of both government and industry.

We are aware that even in the fourth quarter, growing pains will interfere with full effectiveness of planning. In World War II, the plan was announced on November 2, 1942 and became effective July 1, 1943. Even then, in the months of July, August, and September, there were innumerable operating difficulties. We shall certainly have comparable difficulties, but gradually CMP will become an effective instrument for mobilization. Then, as the nation's supply of basic materials, including steel and aluminum, increases, and as the military program reaches a plateau in 1953, controls can and should be relaxed. Meanwhile, I think it can be justly said that the operation is proceeding according to plan, and that the plan, involving the speedy rearmament of the nation and the strengthening of its already vast industrial capacity, is a good one.

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Problems of Agricultural Production

By CHARLES F. BRANNAN

IT is a sign of the increasing interdependence of the American people that one of the greatest problems affecting agricultural production today is an industrial problem. The threatening international situation and the nation's mobilization program have thrust upon American agriculture a new and sudden demand for greatly increased quantities of agricultural commodities. But the keys to immediate, substantial increases in agricultural production are not solely in the hands of farmers. They are largely in the hands of industry, itself busily engaged in the defense effort.

These keys to relatively quick increases in agricultural production consist of additional amounts of fertilizers, fuels, and chemicals, and new machinery and equipment together with essential replacements and parts; all of them to be used in combination with improved farming practices. Because these industrial items involve the use of scarce or critical materials, they are, in most cases, becoming less and less available. Meanwhile, agriculture's need for them grows more acute. Here is a problem that can be solved only through the process of mobilization planning at the highest national level.

This illustration of the interdependence between agriculture and industry is typical of the interrelationships that exist throughout our economy. One of the major handicaps besetting the entire mobilization effort is the difficulty people have in seeing the defense picture as a whole. The weakening of the price stabilization program, for example, was due largely to this failure to see its importance to defense. We need to realize much more clearly than we now

do that our economy, our mobilization efforts, and our future security are all closely intertwined. We cannot afford to take for granted that what happens in one sphere is of little or no importance to other spheres.

Many persons in this country have a "take it for granted" attitude about agriculture. They take it for granted that there will be plenty of food and fiber available. They find it hard to realize that food and fiber are among the most vital factors in the entire defense effort. It is my purpose in this article to show the contribution to defense that agriculture is expected to make, and to point out some of the obstacles that must be overcome if agriculture is to carry out its responsibilities.

AGRICULTURE'S RESPONSIBILITY

Agriculture is our oldest and most basic industry. Its food products sustain the nation's industrial workers. Its raw materials feed many of the nation's industrial machines. Agriculture introduces into the nation's economic bloodstream a vital share of the basic ingredients necessary to the mobilization and growth of our great economic and military strength.

To be more specific, agriculture is charged with the serious and fundamental responsibility of providing fuel for human beings; fuel that gives energy to strong arms, to skilled hands, and to active, resourceful minds. It provides fuel for the miners who dig iron ore from the ground, for those who make iron into steel, for those who make steel into guns, for those who man the guns in defense of the nation, and for those who plan and manage the mobili-

zation program. The plentiful, timely supply of this fuel for human beings has a universal bearing not only on what is physically accomplished in the national emergency, but on the spirit and resolution with which these accomplishments are carried out.

Moreover, agriculture provides many of the basic commodities used in the production of implements for defense. Cotton, for example, is used in smokeless powder, plastics, films, parachutes, and balloons, as well as in clothing and tenting our soldiers. Soybeans are used in essential paints, plastics, and other vital synthetic materials.

Food has also proved to be one of our most effective tools of diplomacy. American food played a vital part in the rehabilitation of western Europe and helped to stem the tide of Communist infiltration. American food is at work today in India, helping to strengthen ties of international friendship.

These are fairly obvious truths. But what is less obvious is the intimate relationship that exists between agricultural efficiency, and sufficiency, and the industrial power of a nation. One need only look at China to realize that great masses of manpower are relatively ineffective in the absence of agricultural efficiency. So many Chinese have always been tied down to the essential job of food production that China has not been able to develop the industrial capacity to equip its troops adequately for modern war. China is now only of limited effectiveness in Moscow's hands.

How different is the situation in our own country! In the United States at the beginning of the 1800's, one man working in agriculture fed himself and about three other people. Today one man working in agriculture feeds himself and nearly fifteen other people. It is this development in agricultural technique, in agriculture's ability to produce

efficiently, that is one of the significant economic factors upon which we have built our very healthy and strong industrial economy.

We are fortunate to possess a relatively efficient agriculture. The challenge facing American farmers today is the greatest in our history. Here is what our agriculture is expected to do.

It must produce enough to supply the nation's growing military forces with food and the growing defense industries with raw materials.

It must produce enough to supply with relatively good diets the 150 million people who make up the nation's civilian population, and enough more to carry at the same time a safe margin in strategic reserves.

It must produce enough to back up the nation's foreign policy by enabling us to continue to share our food to the fullest possible extent under sound arrangements with friendly allied countries in need of help.

AGRICULTURAL REQUIREMENTS

Let me illustrate how even partial military mobilization sharply increases food needs. Military kitchens usually are backed up with seven to nine months' stocks, compared with seven to nine days' stocks for civilian kitchens. Men in uniform eat far more than civilians on the average. In feeding $3\frac{1}{2}$ million military men—about $2\frac{1}{3}$ per cent of our population—the military requires the canning industry to set aside about 9 per cent of the national pack of canned fruits and vegetables. If more men are put in uniform, more food will be needed.

The requirements of the civilian population are also growing. We can expect our population to increase at the rate of about two million persons a year. Meantime, higher consumer incomes also will increase demand for food in the years ahead.

Our agricultural export requirements are likewise rising. It is important that we do all we can to meet this demand, for the Kremlin invariably capitalizes on food shortages to spread Communist propaganda.

Although farm production in recent years has been at record height, we are hard pressed to meet a challenge of this magnitude.

The meat situation is a good example. Meat is one of the most sensitive commodities in the food picture today. It appears to have a strong effect on civilian morale and the consumers' cost of living. It is generally agreed that greatly increased production of meat would be highly desirable and in the national interest. But livestock production already has grown to the point where it has outdistanced the nation's current rate of animal feed production. As a result, the nation is dipping into its feed reserves for its present meat production. Meanwhile, people are clamoring for an even greater supply of meat.

Consumption of meat in 1951 is expected to be about 144 pounds per capita. But it would be several pounds less than that per person if we had to depend solely on current feed production. It appears that we shall have to draw upon our grain reserves again next year if we are to maintain the upward trend in meat production. This can be prevented only if feed crops this year turn out to be larger than indicated at this writing.

Thus, we find meat production and the demand for meat climbing upward, with feed production already lagging, with our feed reserves being slightly reduced, and with few additional acres immediately available for increasing feed production.

Cotton provides another illustration. We are trying to bring cotton production in line with essential needs. Be-

fore the Korean invasion we had one-third of a good year's cotton crop in government reserves. But we soon used up the entire reserve, and we have had to increase production. We have done this by increasing cotton acreage in 1951 well over 50 per cent above the 1950 acreage. To do this we had to take acres away from other crops. This is another factor in the short supply of feed grains.

Moreover, requirements for agricultural commodities are likely to increase at an accelerating rate during the critical years ahead.

HINDRANCES TO AGRICULTURAL EXPANSION

Sometimes when I have explained the existing situation to this point, I am asked, Doesn't industry face the same kind of problem? Why is it harder for agriculture to expand production than it is for industry?

These questions go to the heart of the matter. Of course industry faces a problem of how to step up production. Generally it responds by putting up another plant, by taking on an extra crew of workers, and by working round the clock. This is precisely what agriculture can *not* do. Farms cannot be built out of lumber and bricks, as factories can. We are already maintaining in crop production just about every acre of farm land now available for the purpose. This does not mean that there is no more land in the country to be brought into future cultivation. As Dr. Salter points out in an accompanying article, there is a good deal of idle or unproductive land that can be brought into use—by draining swamps and wet land, by irrigating dry areas, and by turning unproductive woodland, poor pastures, and low-yielding cropland into productive grazing land for livestock production. But it is not available *now*.

As for recruiting more workers, the number of farm laborers, which has declined steadily for years, is now being further reduced by movements into industry and military service.

In short, we are asking farmers and their families to produce more abundantly with fewer workers and not many more acres of land.

RECENT IMPROVEMENTS AND GROWTH

It is true that farmers faced the same general handicaps when they were asked to step up production after the outbreak of World War II. But there were also important differences between that situation and the present. In the past decade agriculture has made greater progress in production than ever before. Last year farmers produced 38 per cent more than the 1935-39 average. This year we have asked them to boost production to about 45 per cent above pre-war. Just as it takes more energy to increase the speed of a car from 70 miles an hour to 80 than it does to increase from 40 to 50, so it may be more difficult to increase production when yields per acre and per animal are already at a high level.

During recent decades agriculture has been able to keep up with growing demands mainly through mechanization, improved crop varieties, better pest control, wider use of fertilizers, and improved cultural practices. Since 1920, for example, agriculture has substituted tractors for 19 million of the 26 million horses and mules on farms. This, together with decreased nonagricultural use of animal power, has increased production efficiency and released about 65 million acres of land for the production of food and fiber. Changing to hybrid corn increased yields nearly 30 per cent, and this change was made on about 70 million of the 86 million acres on which we grow corn in this country. Increasing soybean production from 4

million to 287 million bushels provided a much better balanced diet for livestock. Farmers have more than tripled their use of fertilizer in this thirty-year period and introduced other improved practices.

All of these improvements still have unexpended power for further expanding production. But the present trend of increase from some of these improvements is not enough to meet urgent emergency needs. There is little likelihood that improved crop varieties in the near future will come close to duplicating the boost in productivity given by hybrid corn. And the shift from horses to tractors cannot be expected to release so many millions of acres as in the past.

Therefore we are looking to fertilizers, fuels, chemicals, machinery, and equipment as the keys for accelerating immediate production and improving soils for sustained production at high levels. We know, for example, that one ton of nitrogen fertilizer used properly and in combination with other improved practices gives an average increase in crop yields equal to the present production of eight to fifteen acres of good farm land. And we know that we are not using nearly as much nitrogen as could be applied to increase crop yields.

NATIONAL PLANNING

It is important to remember that a "lead-time" of a full crop year or more is needed in planning for agricultural production. The nation's farm production cannot be turned on and off at will. Because of this, it is necessary that materials and facilities be scheduled to meet prospective needs. Farmers' chances of success in the production battle depend on their obtaining at least minimum essential quantities of fertilizers, fuels, chemicals, machinery, and equipment. Urgently needed is a national policy recognizing that the pro-

duction, processing, and distribution of food and fiber will rank second only to military needs in the programming of critical materials.

I should point out, however, that agriculture's claims to critical materials would not confront the nation with a choice of "guns or butter." It is obvious, on the basis of present programs, that the nation can produce both guns and butter in adequate quantities.

Working to provide agriculture with adequate materials for production, however, is only one of the ways in which the Department of Agriculture is helping to solve production problems. We are striving also to organize agriculture according to a carefully balanced production pattern which makes the most effective use of our resources and is closely geared to civilian and military requirements.

Early in 1951, acreage goals were issued to assist farmers in planning for all-out production. As I indicated before, these goals called for the greatest volume of farm output in history—about 45 per cent more than the 1935-39 average. We suggested big increases in cotton, corn, wheat, and rice, with substantial increases also in truck crops. We emphasized feed crops, especially corn, and we urged all possible improvements in yields of grass and hay crops to meet the increasing demands for livestock products. Indications are that total production this year will be very high, indeed, and come reasonably close to meeting our goals.

The Department is also working for more widespread adoption of better farming practices which increase production. It is working to help agriculture retain sufficient skilled manpower on its farms. And it is working to provide reasonable price assurances so that farmers can go ahead with the business of expanding production with some assurance about market prices.

The Department's plans for the future include preparatory steps needed to ensure maximum supplies in case of total mobilization. An intensive study will be conducted to determine, as well as possible, the full potential of American agriculture's productive power. The central objective of this undertaking will be to determine the nation's farm production capacity by estimating potential production area by area. This study will supply information on the most efficient ways of achieving maximum output of the necessary foods and fibers. It will give appropriate information on the necessary quantities of fertilizer, machinery, and other materials. It will assist in development of educational materials, and provide perspective on research programs that should be given increased emphasis.

FUNCTIONS OF DEPARTMENT OF AGRICULTURE

The authority for the Department's actions stems from two main sources. One is the Defense Production Act of 1950. The other consists of the statutes authorizing the Department's long-established peacetime programs. The Defense Production Act does not give a blueprint for agricultural mobilization, but it does provide several powers not supplied by the earlier statutes authorizing Department programs.

Under the new functions provided through the Defense Production Act, the Department develops food and fiber requirements and, if necessary, allocates supplies among military, civilian, foreign, and other groups. This important phase of the defense effort is covered in a companion article by Mr. Geissler. The Department also acts as official claimant for metals, chemicals, and other materials on behalf of food and fiber producers, processors, and certain related groups. While these are the two main jobs under the act, the De-

partment also performs many services relating to food, fiber, and forestry for other defense agencies.

Perhaps the greatest share of the Department's activities in this mobilization period are based on the older statutes authorizing the Department's regular functions. These functions are not at variance with mobilization needs, but are entirely consistent with immediate objectives to bolster the security of the nation through increased agricultural production. Production adjustment, price stabilization, conservation, and defenses against insects and diseases are major factors of strength to the nation whether in peacetime or emergency. We have not found it necessary or advisable to set up an entirely new agency to handle the agricultural mobilization program. We have adapted our operations to meet current mobilization objectives and have integrated into a going concern the new functions arising from the Defense Production Act.

The emphasis in Department operations has been placed upon its defense responsibilities. Redirection of activities has been carried out wherever necessary to serve defense purposes more effectively and economically. Thus, much research has been shifted to meet special needs of mobilization. The Agricultural Conservation Program and the Soil Conservation Program have been reorganized to give more soil conservation per appropriated dollar. Agricultural mobilization committees have been established on county, state, and national levels to integrate administration and operational resources of the Department and to meet defense objectives promptly and efficiently. An Office of Materials and Facilities, an Office of Requirements and Allocations, and an Office of Price have been set up for special mobilization needs.

The claimants' requirements for food and fibers collected by the Office of Requirements and Allocations, together with the Department's combined knowledge of available cropland and other factors relating to production capacity, formed the basis for the production goals announced early this year.

WORLD WAR II EXPERIENCE

Perspective on the present agricultural situation is aided by a brief review of what happened during World War II under similar circumstances.

At the time of our entry into World War II, the nation's attention was still focused on the problem of surplus agricultural commodities which carried over from the depression period. In fact, the surplus problem was accentuated early in the conflict because of the war's initial curtailment of exports.

However, as the war progressed, it became more and more evident that food was to be one of our most effective tools of war. American food was found to be essential to the fighting efficiency of our allies as well as our own military forces. Increased quantities of food became necessary to maintain all-out industrial production here at home and in allied countries. Eventually, the wartime demand for American food seemed virtually insatiable.

Recognition of these facts came about rather slowly. Following the years of agricultural surpluses, it was difficult for many people to conceive of acute food shortages. But in the middle of 1943 full recognition of the need for maximum food production did come to those responsible for the war effort. The government put its weight behind programs to increase production, and its efforts were highly successful. The nation will long remember the production achievements of United States farmers during the war years that followed. Co-operat-

ing with their government, they set new production records each year.

Many government programs were instrumental in bringing about this burst of activity, but one of the most important was a program similar to one the Department of Agriculture is operating today. Requirements for farm machinery were estimated and a production program for farm machinery was developed. County War Boards were set up to report on farm machinery needs, ration farm equipment, control fertilizer distribution, and advise farmers in procuring equipment and controlled materials.

In the present emergency, the Department has again developed farm machinery requirements and recommended increases in farm machinery production. County Agricultural Mobilization Committees similar to the County War Boards of World War II have been established. The Department is now organized so it can provide agriculture with the same kind of positive action in getting the necessary production and processing supplies as during World War II.

Other vitally important programs in World War II dealt with production goals, production adjustment, production incentives, farm labor, and government supply operations. Various pro-

grams now in operation have much the same functions.

THE OUTLOOK

In approaching today's over-all problems of agricultural production, we must recognize that a long-time program may be in prospect. We as a nation must not sacrifice our future strength or unduly dissipate our resources for immediate gains. To the fullest possible extent, we must use those production methods which conserve or improve our soil, water, and timber resources.

But perhaps most important of all, we must recognize the vital interdependence between industry and agriculture—a tie that binds more closely with each passing year, and a tie that cannot be ignored in a successful, balanced mobilization program.

The American farmer in past emergencies has proved his ability and willingness to produce abundantly in conformity with the nation's needs. His industry, ingenuity, and patriotism have been surpassed by no other group. With favorable weather conditions and the backing of national policies which recognize and help to meet the objectives and problems of agricultural production, the farmer will uphold his full share of the nation's burden.

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Manpower and Atomic War

By EDWARD A. FITZPATRICK

THE subject of manpower and atomic warfare is intriguing. One hears often in Washington, in the halls of Congress and elsewhere, the issue dramatized thus: The President is scheduled to address the Congress in joint session at eleven o'clock on a date announced in our newspapers. The details are given. The day arrives. The Representatives are in their places, the august Senate marches in. The members of the Cabinet are taking their places, the Supreme Court files in. The President of the United States is announced. It is one minute before eleven—10:59. The President is escorted to the rostrum. It is eleven o'clock. He is applauded generously. "Mr. President and Mr. Speaker. As President of the United States I declare," he begins. It is 11:02. At that moment an atomic bomb in a blinding flash goes off over the Capitol. There is no government of the United States. The President, the members of Congress, the members of the Supreme Court are dead! There is only one resource: martial law. Somewhere in the hierarchy of command, the Army takes over.

Highly probable or improbable, that is a useful picture to keep in mind, for it reveals what Austria showed clearly, and what such destruction would show—how very uncertain and insecure public power is. It reveals total war, involving all women and all children as well as all men. It reveals a new importance of martial law.

We must not fight World War II over again in our war plans, which is too likely to happen with the "heroes" of that war in command. Nor must we accept a shibboleth of a new kind of

war which tends to stop analysis, real imagination, and detailed plans: "push-button war." This is a bad phrase for the public, because it oversimplifies the problem, miseducates the public—which is an essential factor in what is ahead—and stands in the ways of understanding such problems as universal training, civilian defense, and the size and character of the Army. The phrase should be taboo among the military service, because of this misinformation of the public and the organization of a bad public opinion. Pushing the button, as an admiral sees it, is not the important thing—it is what the button is connected with; and at present it is not connected with anything.

PUSH-BUTTON WAR AND MANPOWER

The idea formed in the public mind by such phrases as "push-button war" is a war of robots, a war of machines, and tends to the neglect or overshadowing of the manpower problems. This has been our failure in the past, and will be even more tragic in the future. As if a collection of push buttons were all that was needed! It is evident that manpower, including womanpower, is needed at every stage of the future war: (1) to make and repair the machines; (2) to feed, clothe, and house those who make and repair the machines; (3) to keep communities going in which factories are located and men and women work.

Some of the problems that we call military require manpower (1) to make the defense and war plans; (2) to go out in ship, in plane, in submarine, to meet the enemy in numbers greater than we imagine; (3) as ground forces to follow up in countries we attack; (4)

as ground forces to fight airborne troops when landed; (5) in civilian defense forces to meet destruction or fire, or chemical or bacterial warfare; (6) to guide displaced persons from cities, particularly industrial centers, to organize havens, and to conduct these havens or camps; (7) to operate martial law in its very much increased scope and application.

When we think of the enormous and continental expanse of this country, the absence of barriers or first lines of defense, the frightful destructive power of war, these manpower problems cannot be left to improvisation, to sham organizations that are only blueprint charts of organization. It is not push buttons that the American people need to be informed on, it is manpower. I do not say military manpower, because there will be little distinction between military and civilian power. Total mobilization of manpower, including womanpower and even childpower, is clearly implied in whatever you call the next kind of war—technological war, machine war, or atomic war.

THE MANPOWER PROBLEM

It is a little naïve to summarize war strategy or tactics as "getting there firstest with the mostest." It would be more nearly adequate, though not entirely so, to substitute the idea of firepower for that of manpower. At any rate, the character of the manpower is as important as the question of numerical superiority. And the character of the nation is quite important, too. A nation in an advanced stage of industrial and technological development has a tremendous advantage in manpower problems. The factors in this phase of the situation include, in addition to the stage of industrialization, the maturity of the labor movement and its leadership, the national character, the public attitude toward the war including con-

scientious objection, standards of living, minority groups and their psychology, the expendability of human life, and the educational, apprentice, and technical training of the people.

One of the basic questions regarding wartime manpower is, What is it to be used for? As will be pointed out later, the line between military and civilian becomes more tenuous in modern warfare. The question before Mr. A and the government is, Where can Mr. A be used with the best effect on national security: in the military forces? in the war factory? full time in the civilian defense? in the maintenance of the civilian economy continuing social effort and supporting war workers and all others, including children, the sick, and the handicapped?

This has usually been resolved into the question as to whether Mr. A should go into the armed forces or remain where he is. The armed forces must always keep in mind that every time they take a man, they are pre-empting an actual or potential worker in war industry. The soldier, the sailor, the marine, and the air force man must be equipped, clothed, fed, sheltered, and transported. As pressure increases, many of the civilians who have been rendering these services are themselves taken into the armed forces and lost to industry. It becomes more imperative than ever that the military waste of manpower and of materials should be stopped. But the maintenance of this civilian-military balance is at the center of the manpower problem, especially as "civilian" includes more than workers in war industry.

Wartime labor problems

The manpower problems in war industry condition the military manpower problem, and, accordingly, they must be mentioned here, without elaboration. Industrial relations problems occur in

such matters as hours of work per day and per week, wage rates, housing, welfare, recreational opportunities, and health conditions. Other industrial manpower questions pertain to increasing the labor force and stopping the waste of manpower from inefficient utilization. Problems of industrial labor are dealt with in the discussion by Robert C. Goodwin on "Manpower Problems in Defense Production" which follows this article. The possibility of saving manpower, however, is indicated in some scattered incidents which I included in a report on *Selective Service in Wartime*. The matter seems to me so important that I quote at length:

General Somervell reports that in one division of the War Department alone, Civilian Personnel, 20,000,000 fewer forms were used per year and miles of files were cleaned out and clerical forces greatly reduced. Another illustration is the monthly roster of troops, that was required by the War Department. Somebody discovered that if company clerks would secure an extra carbon copy of the pay roll it would serve the same purpose as the roster. In this way 30,000 rosters were made unnecessary. The Army has eliminated more than 500 of the numerous monthly and weekly reports of every variety required and thus saves 10,000 man-days a month. The old regulations for making purchases were so full of red tape that they covered 1,500 closely printed pages. At first it took 4 weeks to get a requisition through to a contractor because 60 different forms had to be filled out. All but 18 have been eliminated and a contractor can get an order in 2 hours. On another buying transaction, one form has replaced 41 records.

This economy is not only possible in the Army, it is possible and carried out occasionally in the National War Agencies. The Office of War Information announced in the late summer of 1942 that recent changes in reports required by W. P. B. would save 40,000,000 man-hours a year. It is a rich field for further saving of man-hours.

Another illustration of ways of avoiding wastage of manpower was the announcement of the Bureau of the Budget that by the coordination and simplifications of bookkeeping operations the Veterans' Administration and the War Department are saving, in connection with the huge insurance program brought about by the National Service Life Insurance Act, 850 clerks and \$3,000,000. The simplification releases 850 clerks for other duties and obviates the necessity of hiring 200 more clerks.¹

LET US LOOK AT ATOMIC WARFARE

For the purpose of considering the problems of manpower in the atomic age we must consider somewhat the character of atomic warfare, even though there is not available to us now what the departments of national defense have already thought out in the way of a strategy of atomic war, and we would not of course ask for any details of the tactics of such war. At any rate, there are certain things that are now public information that will serve our immediate purpose.

In atomic warfare we shall expect to find:

1. Weapons of extraordinary frightfulness.
2. Weapons singly and in combination, capable of devastating destruction over constantly expanding areas at a single blow.
3. Deadly results following the attack of atomic, bacterial or chemical warfare.
4. Extraordinary mobility of manpower, weapons, and firepower, with jet propulsion planes, rockets, and airplanes of speeds now announced up to 800 to 1,500 miles an hour, and a range of 5,000 miles.

¹ U. S. Director of Selective Service (Lewis B. Hershey), *Selective Service in Wartime* (Ed. by Edward A. Fitzpatrick), Washington: Government Printing Office, 1943, p. 87.

5. A relatively small force that must get through to achieve frightful destruction of life and property of great range, panic, and social paralysis. This, combined with kamikaze tactics, will complicate greatly the problems of defense.

6. Extraordinary opportunities for the principles of surprise because of the destructive power and speed and the easy mobility of the new weapons.

7. Effective destruction, discord, and chaos among civilians, industrial effort, and civic communities as a normal part of war.

8. Conditions made to order for fifth columnists' activity, treachery, and intrigue.

There are two obvious observations to be drawn from this description of atomic warfare that we need to point out. One is, the existence of such mobile destructive power is an invitation to aggression, especially with the possibilities of success. Blitzkrieg of the 1940 variety, in comparison, was slow, obvious, and capable of being met. Here is a new warfare that strikes like lightning; one blinding flash and a rising cloud of "smoke" form the cerecloth of a community and its thousands of inhabitants.

The other observation is that very great—almost cataclysmic—changes in human nature, in national outlooks, in the machinery of government, need to be made to prepare the world of 1951 for a world government equal to the responsibility for controlling nations and peoples to pursue the paths of peace. The basis of this conclusion cannot be given here, but unless there is a moral reconstruction of the individual—I mean the individual—based on some more abiding conception than social expediency, the making available to a world morally and socially unprepared for this knowledge of "evil" will make this disturbed planet we live on look like Eden, compared to what will follow it. To use Tennyson's phrase, the world (one

world, if you choose) will have to be subdued by soft degrees to the useful and the good—or else.

THE PROBLEM OF FIFTH COLUMNS

Warfare in an atomic world makes more imperative than ever that all nations, particularly the United States, take active measures now against all forms of infiltration by fronts, deceit by fifth columns, and subversion by all forms and degrees of foreign agents and diplomatic duplicity. The problem is not one of ideology or honest difference of opinion about the best form of government, but it is one of elementary security. It is—strictly speaking—undeclared war, economic war, psychologic war, that we are even *now* facing.

If such power is tragic in peacetime, it is equivalent to national destruction under the conditions of war in an atomic age. Any such attack as is presumed will be made will result in conditions in which everything that has been learned in the strike technique, the techniques of deception, the fomenting of dissatisfaction, and all the subversive infiltration of fifth columns will permit the utmost in the way of chaos, disaster, and confusion.

It is therefore imperative that the enemy within our gates shall be located and punished or deported now, without any witch-hunting on the one hand, and without protests of "virtue" by defenders of a naïve liberalism, the protective coloration of other fronts, or use of the name of democracy, peace, or world unity, on the other. This will require a "force" of manpower, trained now for continuing service!

It is greatly to be regretted that by virtue of the technological as well as the total character of modern war, the whole life of the nation and all the people are objects of espionage, subversion, and infiltration. But this is the fact. The countermeasures needed ramify

likewise into every aspect of our life and become a danger in themselves, as the various Gestapos reveal. The old carefree world is gone in the age of espionage, infiltration, and world domination not by force but by subversion and intrigue. Manpower will be needed to man the political intelligence services as a safeguard for all the manpower and womanpower engaged in the defense of the nation. Training must be provided to meet this challenge.

It is even conceivable that conquests of nations may be achieved by intrigue of fifth columns. The nation's power to resist may be completely undermined while all the external form of power seems to exist and democratic forms are seemingly respected. If Germany had been only a little more patient, it might have demonstrated the complete effectiveness of the technique. Oriental cunning and Oriental patience are likely to be more effective through Communism if we continue to sleep. At any rate, having seen its power in fifth-column activity, there is basic to all preparation and all planning the need to locate and destroy the enemy within our gates, without any effort at appeasement, or any attention to diplomatic protests of nations full of deceit.

THE NEW EMPHASIS ON PREPAREDNESS

One of the military conclusions that may be drawn from the character of atomic warfare is that there is no place for a purely defensive nation or a mere defensive policy in the world as organized by man. The habit of undeclared wars with or without rationalized explanations will be the order of the day. Any nation must not only be prepared for the aggression; it must be ready at the same moment to launch its counter-offensive. This counteroffensive must have great force and mobility, according to well-conceived plans, worked out

in detail; it must be fully implemented according to the principles of military-economic balance.

The defense against aggression must be "in being" at all times. No allies can hold the lines until we are ready, no oceans are barriers, nor anything else. Pearl Harbor—which is only the smallest miniature of what may be expected—must be remembered not only as a day in infamy, but as a lesson in the pathetic unpreparedness of a great nation, that might easily have led to ignominy. In atomic war there will be no time for improvisation, no time for planning, no time for training manpower, no time for setting the industrial machine, no time for stockpiling in the early impact of war.

There will be little time for "rights" in an overwhelming immediate duty. This is a lesson that the people and the Congress need to realize right now, today, in Washington. But that does not mean that what happened at the beginning of World War II should be tolerated: wasteful procedures, political jockeying, scattering of orders, utilization of military secrecy as a cloak for lack of planning or avoiding criticism, developing of "personal government" both in the armed forces and in the nation, the struggle for power between the armed forces and the industrial-civilian power. The defense measures, assuming our "intelligence" is what it should be—but was not at the beginning of World War II—should be *in being* at the time of aggression, and with the first verification of aggression the counter-offensive measures should be launched.

EFFECT ON UNIVERSAL MILITARY TRAINING

If that is to be our preparedness policy, then it is obvious that universal military training must be included in our national policy and planning. To

be ready on the day of aggression for the varieties of military-civilian duties that will be imperative will necessarily require training. The only sound argument for universal military training for America in the actual world situation is military necessity. Any educational, social, or health reasons are purely incidental. There are more effective ways to achieve these ends than military training. Atomic warfare makes more imperative the need for universal military training, and it broadens its base and changes the character of the training to be given.

What has been said makes clear the imperative need for universal training for modern technological total war with the new significance of civilian defense and martial law. It must recognize that the line between military and civilian is rapidly fading. For that reason the scope of training must be broadened, but it must be military in its new significance.

The character of the training, when it is to be given, and to whom, must be determined by the anticipated character of war. Obviously the military authorities are the men to make the proposals in the first place and, even in anticipation of the determining of the policy, to show the varieties of training needed in terms of the varieties of services required. Some of the questions that must be answered are:

1. What training shall be given for civilian defense, for industrial mobilization, for martial law? To whom? How long? Where?

2. What training shall be given to conscientious objectors who will accept noncombatant service? How long?

3. What training shall be given to conscientious objectors who will accept only public service work under civilian direction? How long? Under whose direction? Where?

4. What training shall be given to limited service men? How many classes of limited service men will there be?

5. What training shall be given to each of the main divisions of the armed forces, and for any special services within the armed forces? How long?

6. What training shall be given in intelligence work for strictly military work? as counterespionage against saboteurs? fifth columnists?

7. In what way is the universal military training program going to work in the scientific mobilization in peacetime and in wartime?

8. Should women be included in a universal military training program? What training shall be given and to whom?

The public information given out so far does not reveal any carefully thought-out plan, nor is it convincing. The policy of universal military training may be lost, and will in all human probability be lost, unless the armed forces reveal to the American people that they know what they are going to do, and how, when, and for whom. No information needed for the public would affect security.

EFFECT ON MILITARY MANPOWER

I want to indicate some points on the effect of atomic war on military manpower as such, particularly its utilization, which I have previously pointed out in my description of a manpower policy in my book on *Universal Military Training*. All I want to do now is to include them in the picture without detailed description, so they will not be overlooked in the discussion of the problem.

The first point relates to the utilization of personnel on merely clerical and administrative functions. The major problem in the deferment of federal government personnel during World

War II was in the War and Navy Departments. This was so because of the numbers involved and because of the practices. At least the two following suggestions and their corollaries should be put into effect now, besides the suggestions on limited service personnel.

An analysis of War and Navy Department functions and organizations should be made so as to determine where male civilian personnel not fit for military service can be used. The spectacle of military and civilian personnel working side by side and doing identical jobs is not good for morale, nor is it in the interest of justice in time of war.

In the civilian administration of the War and Navy Departments, priority shall be given to women over men, where the functions can be performed by women.

The problem is complicated by the fact that the War and Navy Departments are not only over-all administrative departments, but also operators of industrial plants—for example, arsenals and shipyards. In future policies these functions should be sharply differentiated.²

Physical classification for armed forces

If the initial aggression and the counteraggressive steps are indecisive, then the war struggle will be on and manpower will be in great demand. "Scraping the barrel," as it is called, will come very much sooner than in World War II. National service will have taken the place of Selective Service, but the utilization of manpower becomes of supreme importance. No men fully qualified for military service should be assigned where limited service men or women can serve. The physical qualifications of the citizen army for military service must be more flexible than in

the past. The German Army had seven physical qualifications. The Japanese Army had five classifications with three subdivisions in its second group. The British Army had three main divisions, with three subdivisions in the first group and seven subdivisions in the second group. We must have some similar system in spite of the report of the Special Committee appointed to investigate the problem in World War II. The House Military Affairs Committee in an Interim Report raised some questions which are sufficient to open up the subject. They were:

1. Could all functions performed by members of the armed forces on the home front be analyzed to determine whether they can be performed by IV-F's?

2. Could an effective classification of inductees, of lower physical standards than at present acceptable, be made after induction into the armed forces, in terms of their physical capacities as well as their skills for the effective use of these capacities and skills, and then appropriate assignment to units be made?

3. Do any legislative limitations in size of the forces, or in kinds of services, lead to discouragement of the use of limited service men or IV-F's?

4. Are there any bars that need to be removed, that would encourage acceptance of IV-F's and avoid the legitimate effort to prevent burdens on postwar appropriations of the armed forces, for pensions, for hospitalization, for bonus, or that it will lead to war casualties that will burden present appropriations? (One understands, naturally, the desire to save all available hospital facilities for men who are war casualties.)

5. Is any program possible which would lead to the transfer of all capable men to combat service, and the replacing of these men with qualified IV-F's, or limited service men or women?

6. Could a supplementary physical examination be instituted and directed toward a determination of specific duties for which persons not acceptable for general military service might be utilized? (If necessary,

² The Selective Service System should be restricted to not more than 10 per cent, preferably 5 per cent, of its use of military personnel in World War II.

keep all these persons in the military service on inactive status subject to assignment.)³

EFFECT ON INDUSTRIAL MOBILIZATION

With the changed character of war both in mobility and in firepower, and with the possibility of a decisive blow right at the beginning of a war by an act of aggression, the burden and responsibility on the industrial and agricultural economy are greater. They are certainly greater than in a war of position or of well-known weapons, or a "military war."

An industrial mobilization plan will not be enough. Stockpiling and dispersion of industrial plants engaged in producing munitions will not be enough. There must be an actually effective operating economy meeting the imperative needs of the armed forces at the beginning of the war.

This must have been prepared for by the utilization of the normal agencies of the government for the war program. This is especially true of scientific research, pilot plants, and gathering of statistics on manpower, raw materials, conditions of labor, training, and other facilities. But there will be need for an emergency war organization which will utilize as far as possible the habits and customs of the people and avoid the wasteful processes of normal government.

In the present stage of our development, what is needed is suggestions and more suggestions. Industrial mobilization plans ought to be plans for actually getting munitions and industrial manpower, which they have not been. Charts of organization for superagencies ought not to be called industrial mobilization plans, though they are an element in them. Of course they are important factors in the control of the

American economy, and are significant in the struggle between the military or the civilian agencies. They should be related solely to making the industrial economy meet the national needs for victory—and everything not related to and contributing to that paramount military necessity of the American people should be ruthlessly discarded or suppressed, whether of the military or labor or industry or the bureaucracy. If regimentation is what is necessary to win effective victory in the shortest time possible, the American people will take it.

SELECTIVE SERVICE OR NATIONAL SERVICE

The greatest immediate issue with reference to manpower in an atomic war is the question of selective service or national service. Let us examine that problem and its backgrounds.

There is no course left to any nation in its planning but to prepare for total war. In total war there is practically no distinction between the civilian and the soldier, sailor, or marine. In total war, nation is pitted against nation, rather than only armies and navies against armies and navies. Total war makes necessary, therefore, a complete mobilization of *all* the resources of a nation, material and human. For the United States it includes all men, women, and children 14 years of age or older, and even the possibility of using those younger must not be overlooked, for instance for chores on farms. It includes every physical thing and service; it includes munitions of war and their storage, transportation, and distribution, the so-called civilian supplies and services to sustain the economy supporting the war's productivity and the war effort, and the slight remnant of civilian life, if there be any.

Total mobilization of manpower must therefore be an integral part of the mobilization of *all* the resources of the na-

³ Under H. Res. 30, 78th Cong., 1st sess., p. 8.

tion, and every phase of industrial or national mobilization has its manpower requirements.

In a total war where we are easily within target range of machines of great speed and of weapons using atomic fission, we cannot leave to "residues" the manning of war production and the maintenance of the civil economy. More than ever, the whole war economy needs to be planned, including in each and every phase of it the manpower requirements.

Recognizing that the terms "military" and "civilian" are more relative than ever and less distinguishable, the broad phases that must be considered are: (1) military manpower—number, quality, and physical standards; (2) industrial manpower to produce directly the military needs in raw materials, munitions, ships, airplanes; (3) industrial manpower to provide or produce trains, buses, ships for transportation; wrapping and packaging; and warehousing; (4) agricultural manpower to provide (supplementary industrial power) foods and food processing, and clothing manufacturing; (5) civilian servicing manpower to maintain industrial and agricultural manpower; (6) military-civilian manpower (including womanpower) for civil defense services for evacuation, for administration, for martial law in areas that are attacked by atom bombs; (7) manpower to maintain the civil economy itself.

Limitations of the selective service

It is not important now to point out the tremendous popular success of Selective Service in both wars, but we must understand its limitations. The untried Selective Service System in World War I handled quite easily the task of raising by enlistment and induction four million persons for the armed forces out of a population of 103 million. In World War II, where the

problem was very much greater and the balancing of the military and industrial manpower needs became critical, there gradually came to the surface a number of problems which required additional administrative machinery such as the War Manpower Commission and the Economic Stabilization Board.

Here was a very clear indication that the situation needed to develop more definite machinery for the control and direction of civilian manpower. Some refinements that had developed in World War I, such as special calls to meet specific needs of the armed forces for workmen with particular skills, such as machinists or carpenters, or for highly trained people such as meteorologists, was not used in World War II. A specific policy of "Work or fight" was not employed as such in World War II, though approaches to the policy were used.

Persons not physically qualified for military service in essential jobs were required to remain in their jobs even though under the normal rules of Selective Service they were theoretically free. However, it became necessary to provide special regulations for "job jumpers" who were able to be inducted after the Army reduced its physical standards for such persons. In World War II there were many certification plans for assisting local boards, of which the most publicized was the West Coast plan for the aircraft industry.

It was a function of the Selective Service System to maintain the military-industrial balance and to see that the withdrawing of the men needed for the military service disturbed as little as possible the war effort and the civilian economy. As the increased pressures for men came from the armed forces, however, this balance had to be disturbed. The lack of policy on the part of the War Department, and the lack of any adequate survey of the industrial

skills of the country and the increased demand for war industrial manpower, made the job in any case very difficult; but the primary function of the Selective Service System was to secure men for the military service.

The men who were to carry on the industrial production, the agricultural production, and the work in the civilian community were those who were not physically qualified for military service or who were deferred as necessary by the Selective Service System on an individual basis, unless they were needed to fill a call. In the beginning, the dependency deferments protected large numbers of essential workers, as well as the American family. Later these dependency deferments were withdrawn, which greatly increased the number considered directly for industrial and agricultural deferment. There were 6,443 boards that were making these decisions which were reviewed by about a thousand appeal boards.

This kind of leftover manpower for the civilian effort would not be adequate in any major war, and particularly in a war that required rather quickly the organization of our production machine for the provision of essential munitions, equipment, and services for the armed forces.

The great weakness, therefore, of the Selective Service System was the lack of positive policy for industrial and civilian manpower. Though agencies were created to handle this problem positively, there was actual lack of co-ordination between these agencies and the Selective Service System. The creation by Executive order of the Office of Economic Stabilization (October 6, 1942) and the Office of War Mobilization (May 1943) did not clarify or unify the manpower policies. An organization and administrative setup is needed to integrate into a positive policy all these elements with the new

elements which will be made necessary by atomic war.⁴

ECONOMIC MOBILIZATION PLANS AND NATIONAL SERVICE

If there is any anticipation of a major war in our planning, it will be necessary to have rather complete plans for national service. National service presents a greater problem of popular psychology than even the Selective Service System presented in 1917-18. It is doubtful whether the local board machinery which was at the heart of the Selective Service System could be used in a national service system, though the registration machinery could be used.

A great question that will have to be faced is whether it will not be necessary to have trained individuals who understand industry or military requirements or civilian defense, instead of local boards. It may be necessary to have appeal boards, as England did, to review the recommendations of these technically trained local manpower officers. This will require an entirely different kind of war planning and will create a new set of problems in public relations. At the lowest level we shall have an administrative process rather than a quasi-judicial process, and this will seriously affect the nature of the problem even if local manpower boards are available to

⁴ The improvisation of World War II and the lack of co-ordination in the control of the manpower problem is shown by the list of agencies handling manpower: the Selective Service System, the War Manpower Commission, the Department of Labor (Conciliation Service), the National War Labor Board, the United States Employment Service, the Committee on Fair Employment Practice, the War Production Board (Labor Section), the Office of Economic Stabilization, the Office of War Mobilization and Reconversion, the War and Navy Departments (Civilian Personnel Branches), the Committee on Deferments of Federal Employees in Executive Departments, and a similar committee for the United States Senate.

hear appeals from the decisions of the administrative officers.

The need in any future war is for some kind of an over-all control of manpower with adequate machinery to provide for its most effective use at all levels in all industries and in all the services needed in connection with war. These include services to the armed forces, to the civilian defense, to the industrial production organization, and to the civil community. The over-all control and direction of manpower, including womanpower, both on a national level and in the local areas is what is meant by national service. Because the life or death of the community, even of the civilization of which we are a part, is at stake, human beings must, however reluctantly, for the sake of survival, give government, during such national emergency, this rather complete power over life and property.

A total mobilization of our natural resources can be implemented most effectively only as there is a total mobilization of our manpower resources. Both must be related. In fact, the fail-

ures of our past effort to mobilize our natural resources were because there was no adequate plan for their most effective use by means of a mobilization of manpower. National service would seem to be practically a corollary of an economic mobilization that is necessary for a total war in an atomic age.

The one thing obvious from the foregoing discussion is that we must rethink the nature of the defense of the nations. This thinking must reach the problems of international security at present and in wartime as challenged by fifth column activity. It must take into account the more imperative demand for preparedness and the insistent need for a well-considered plan of universal military training, not merely a policy. It must deal with the need of actual economic or industrial mobilization plans, an operating part equal to a realistic conception of the emergency, and the national mobilization of all resources, particularly manpower, through a system of national service of manpower and womanpower.

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Manpower Problems in Defense Production

By ROBERT C. GOODWIN

FOR the second time within a decade, the United States has embarked upon a defense program designed to build up its fighting strength. An armament program, as we learned in World War II, creates manpower demands—demands for the armed services, and demands for labor both to staff expanding war industry and to maintain adequate levels of output of essential civilian goods and services. Manpower problems arise because demand tends to exceed supply. Our manpower resources are limited, and the needs of each claimant must be met from a single manpower pool. These two characteristics determine the nature of manpower programs and policies. Reduced to simplest terms, manpower programs are designed either to bring demand and supply in balance or to ration available supplies in accordance with relative urgency of need. In practice, of course, the various aspects and particular features of these two goals result in a wide variety of specific problems.

The responsibilities of our world position vastly broaden and intensify our problems. In essence, present international tensions result from a conflict of economic and political concepts rather than from the struggles of individual sovereign states.

While these aspects of our responsibilities demand imaginative and courageous leaders and specialists thoroughly grounded in the language, the culture, the history, and the economics of the nations needing assistance, the scope of this paper is limited to a consideration of manpower problems in defense production. Within this narrower frame-

work, an attempt will be made to develop the over-all manpower demand-supply relationships of the present defense program, to point out some of the most important specific manpower problems, and to indicate the basic policy which underlies our approach to their solution. And, since the dangers which have made partial mobilization necessary may lead to full mobilization, World War II experience will be briefly reviewed.

WORLD WAR II EXPERIENCE

We were well into World War II before we became particularly aware of the importance of manpower to the war effort. It was almost two years after the start of the defense program and four months after Pearl Harbor before our earlier programs for mobilizing and directing the nation's labor force culminated in the establishing of the War Manpower Commission.

When the declaration of limited emergency was issued in May 1940, the labor force seemed more than adequate for any prospective demands that the new defense program implied. Some 8 million unemployed were actively seeking work in the spring of 1940, while working hours and manpower utilization were far short of maximum application. Furthermore, the memories of the chronic large-scale unemployment of the long depression years were so vivid that it was almost impossible for labor, industry, or government even to envision a period of full employment and acute labor shortages, let alone plan for it. Today, we remember with equal vividness the superb triumphs of World War

II with its prodigious expansion of production and employment. But in these memories, too, lies a danger that we may again underestimate the size and importance of our manpower problems and again fail to develop our manpower policies and programs in time most effectively to meet our needs.

In response to the manpower needs of World War II, labor supply increased at an unprecedented rate, unemployment was reduced to rock bottom levels, millions of workers transferred to defense employment, and whole segments of the civilian population who normally found it difficult to secure suitable employment found satisfactory jobs. The total labor force grew by some 10 million; unemployment was cut by about 7 million. Despite this enormous growth, manpower shortages developed which required the establishment of "voluntary control measures"; the importation of foreign workers; the use of prisoners of war; and in some occupations the furloughing of soldiers in the armed services.

While a voluntary and unco-ordinated approach to manpower was adequate from 1940 through most of 1942, it later became necessary to establish a planned and integrated manpower program extending to every area and co-ordinated at state, regional, and national levels. These manpower programs operated to stabilize essential employment by controlling the movement of workers between jobs. They directed available labor into the most urgent production channels and limited employment levels in less urgent activities.

Such a brief review of World War II experience glosses over a number of important aspects of the manpower problems of that period and a number of inadequacies in the governmental machinery and policies established to meet

those problems. Nevertheless, it does point out (1) the elasticity of manpower supply in time of emergency, and (2) the fact that manpower problems became sufficiently acute during the later war years to penetrate the consciousness of everyone. As a result, we enter the present defense period with a general recognition that manpower requires as careful consideration and planning as does any other factor in the vast and complicated structure of a mobilization economy.

OUR SITUATION HAS CHANGED

Here also a word of caution may be in order. It is dangerous to assume that our new manpower problems will duplicate our earlier ones. We shall profit from the lessons learned in World War II only if we recognize that in a number of basic respects our situation has altered in the last ten years, short though the period has seemed. These changes profoundly affect our manpower resources and the policies and programs we need for making the most effective use of them.

With present international alignments we might well find ourselves outnumbered in another war. Although there now exists a rough manpower balance between the Soviet bloc and the United States and its declared allies, this balance will eventually be heavily weighted by the undeveloped nations of the world which we are seeking to assist and which the Soviet Union is trying to control. These are the nations of the Orient, of the Middle East, of Africa, and of the Western Hemisphere, which are now struggling desperately against poverty, disease, and illiteracy. Whether they become our allies, enemies, or neutrals in any war which may develop in the future depends largely upon the effectiveness of the understanding and assistance which we offer them.

The danger that we may be outnumbered, in gross totals, in a future conflict emphasizes our need to rely heavily upon the quality rather than the quantity of our manpower. Because our strength lies in our productive capacity and in our skills, in the education and training of our work force, and in the imagination and flexibility of our society, we must maintain and increase these advantages. At the same time, we must preserve the democratic institutions which made them possible and which we are arming to protect.

Another major difference in our position is that we are now the strongest free nation of the world and, consequently, would probably become involved immediately if another world war should start. Never again shall we have the years of grace we enjoyed in World War I and World War II.

Population changes

Changes in our population over the last ten years have also altered our outlook with respect to mobilization. Our population has been growing; between 1940 and 1950 it increased by approximately 20 million, or 15 per cent. But this growth has been uneven. We have gained heavily in the number of very young children and in the number of older people, while our gains have been slight in the age groups between these two extremes. The manpower effects of these population changes may be summarized briefly as follows:

(1) The growth in the total population has raised by 20 million the number of people that must be provided with civilian goods and services.

(2) Our reserve of women under 35 years of age who are not now working but could be drawn into the labor force in time of need has probably declined. More of these potential workers are now mothers of young children requiring

home care (the number of children under 10 years of age in the population increased by about 9 million or nearly 44 per cent between 1940 and 1950).

(3) Fewer youths will reach working and military age during the next several years. Over the last ten years there has been an actual drop of 2 million or 8.6 per cent in the number of people 10 to 19 years of age.

(4) There has been a proportional decline in the population in the prime working age group, 20 to 54 years of age. This age group increased by only 10.6 per cent, while the total population was increasing 15 per cent.

(5) A greater proportion of a defense-induced labor force expansion will have to come from the older workers now than was necessary in 1940, because the number of men and women 55 years or older has increased by 5.6 million or 28.6 per cent.

Other internal developments have also occurred in the last ten years which affect our ability to expand production and employment in time of need. In 1940 there was a pool of some 8 million unemployed that could be put to work immediately. Today unemployment is down to about 1.6 million and seems to be settling lower.

In other respects, the nation is in a stronger position to meet the production and manpower demands of the current defense program. Our productive plant is considerably larger and more efficient. Industrial production in 1950 was 60 per cent above that of 1940. Durable goods output was up 70 per cent. Productivity was up 28 per cent. The total labor force had grown from an average of 56,030,000 in 1940 to an average of 64,599,000 in 1950. Nonagricultural employment had risen 38 per cent, from 37,980,000 in 1940 to 53,450,000 last year. These comparisons indicate both

the relative strength of the present economy and the probability that another all-out defense program would rely heavily upon the transfer of existing equipment and workers from civilian work to military production.

CURRENT MANPOWER RESOURCES

Most simply stated, our manpower resources consist of (1) those already in the labor market, either working or seeking work, and (2) those who can be induced to take jobs when the need arises. In July 1951, the persons who make up the civilian labor force totaled 64.4 million—44.6 million men and 19.8 million women. During the same month, those of our people age 14 and over who were not in the civilian labor force totaled over 44 million. The additional workers this country will need to handle the present defense program, and to meet any future manpower demands, must in general come from this latter group. In round numbers, the group consists of 7 million men and 37 million women.

In sharp contrast to the situation with respect to men, most of the women of working age are not now in the labor force. Consequently, the adult women group must supply the greatest relative addition to the labor force. We know that most of those under 35 years of age are the mothers of young children, with home responsibilities which greatly limit the extent to which they can seek employment. Therefore, it is to the housewives over 35 that we must turn for the bulk of our additional women workers.

DEFENSE GOALS DETERMINE MANPOWER NEEDS

Each aspect of the defense program makes manpower demands that must be

met if program schedules and goals are to be reached. Consequently a brief summary of these goals is in order.

The current defense program is a long-range program of partial mobilization designed (1) to increase the size of the armed services to a level of 3.5 million and maintain it at that level; (2) to increase defense production to the point where the 3.5 million army will have the needed equipment and supplies and to build up a reserve stock of key equipment sufficient to meet the needs of the first year of an all-out war; (3) to provide assistance to our allies; and (4) to build up the basic industrial capacity necessary to support either the demands of an all-out war plus minimum civilian requirements or the continuing needs of partial mobilization simultaneously with high-level civilian output.

Each of the three main phases of the current defense program has a different time schedule. Armed forces are close to their goal and hereafter should make little net demand upon the labor force. Defense output, which is just now beginning to make substantial demands upon the labor market, is scheduled to rise steadily, reaching a peak during late 1952 and early 1953. The program to increase productive capacity has, by its very nature, a longer time schedule. While the construction phase will create some manpower demand in 1951 and 1952, the effects of the new capacity on production and factory employment will become significant in 1953.

MANPOWER DEMANDS AND SUPPLY

In order to meet current defense production goals, employment in defense activities will have to be increased by 2 million during the second half of 1951 and by 2.5 million in 1952. Total defense production employment will thus

be about 6 million by the end of this year and 8.5 million by the end of 1952, as compared with 2.7 million in the last quarter of 1950.

In gross numbers and on a national basis, manpower supply should be adequate for meeting the current dual goals of partial military mobilization and a continued high level of civilian goods production without undue strain upon the economy. However, there will be shortages in key occupations and in many industrial areas.

With unemployment at extremely low levels, the major sources of defense labor supply during the next year and a half will be (1) transfers of workers from nondefense to defense activities, and (2) enlargement of the labor force.

The extent to which each of these sources can be tapped varies from area to area and from industry to industry. In some areas, there may even be unemployed workers to draw upon; in others, manpower demands will have to be met by bringing in workers from other areas.

Release of workers engaged in nondefense activities is expected to yield, on a net national basis, some 1.5 to 2 million more workers for defense activities between mid-1951 and the end of 1952. Not all of the released workers will be laid off and then re-employed. A very large proportion will automatically shift from nondefense to defense activities without leaving their jobs, as the output of the plants in which they are employed is redirected from civilian to defense uses.

The remaining additional defense workers needed in the next year and a half must come from labor force expansion. The total labor force, including the armed forces, is expected to expand to about 68.4 million by the last quarter of 1952 (or 3.2 million above the corresponding quarter of 1950). Normal growth of nearly 1 million a year

should provide a total net inflow of 1.5 to 2 million during the remaining eighteen-month period. The ready availability of jobs at good wages, and recruitment activities to fill those jobs, are expected to induce an extra growth in the labor force of over 1 million—sufficient to meet requirements.

THE NATURE OF LABOR MARKETS

In normal times, this government intervenes in the operation of the labor market to a minimum degree. The government establishes general policy with respect to the over-all functioning of the economy and for collective bargaining, fair labor standards, minimum wages, social security, and the like. Otherwise, specific government action facilitates the labor market process on a service basis principally through the maintenance of a public employment service and the education and training of workers. Except in periods of emergency, there is no general or comprehensive program of "manpower administration."

In any major defense mobilization period, however, the government has a direct and immediate concern in the functioning of the labor market. Defense mobilization programs disturb the mechanisms or processes by which adaptations in the labor market are normally accomplished, by substantially altering the level, the composition, and the geographic distribution of the demand for labor.

Five major impacts of defense mobilization upon the labor market may be identified as follows: (1) it increases the general level of demand for labor; (2) it concentrates the demand for labor in particular geographic areas; (3) it alters occupational requirements; (4) it creates demands for labor in excess of available supply in either total or individual labor markets, or by occupation,

thus requiring either a readjustment of production goals or some direction or rationing of scarce labor to desired uses; (5) it renders manpower so scarce in relation to productive facilities as ultimately to make labor a limiting factor to further increases in output. This prospect in turn gives fresh impetus to efforts to increase the productivity and the output of employed labor.

The above consequences of defense mobilization upon the labor market are interrelated. But their identification serves to indicate the basic concerns of manpower administration and, by implication, the ends to be achieved by a comprehensive manpower program.

Geographical and occupational shortages

Past experience indicates that the employment expansion which accompanies defense programs speedily exhausts local labor supplies in some occupations, and, as the program develops, both the number of areas with occupational shortages and the number of occupations with shortages tend to increase. This is particularly true if high-level civilian production continues. There is a general pattern in the spread of occupational shortages, which varies somewhat with the nature and the timing of a defense effort. In the early stages of a military production program, the supply of workers required for developing blueprints, designing machines, and laying out production lines is speedily exhausted. Consequently, such occupations as those of engineers, draftsmen, tool and die makers, and machinists are among the first to appear on shortage lists.

As the military program moves from the planning to the production stage the need for skilled machine operators quickly exhausts available supplies, and shortages of skilled production workers develop. In some areas shortages may

even extend into semiskilled occupational groups. Simultaneously with the sharp rise in employment levels which accompanies the production stage, the ready availability of jobs in defense industry results in a tightening of labor supplies for other industries. At this stage in the process, shortages of unskilled labor sometimes develop which affect particularly such industries as agriculture, underground mining, railway labor, and foundries.

The present defense program has, by mid-1951, reached the stage where widespread local shortages of planning, designing, and layout workers have already developed. With the exception of the aircraft industry, where employment expansion has been sharpest, we are just now entering the period where heavy demands will be made for production workers. As these requirements are added to those of agriculture and a vigorous civilian economy, manpower stringencies undoubtedly will occur. However, the simple arithmetic of the situation indicates that in over-all national terms our defense manpower needs can be met.

A statement of gross requirements, however, does not reveal the real magnitude of the problem which will confront us. The most critical requirements are those for highly skilled and professional workers. Requirements already exceed the supply in sixty critical occupations, and as the production program expands, this shortage will inevitably become more acute.

Requirements also must be related to certain areas and industries. Although the current defense program will not produce a general manpower shortage, it will undoubtedly usher in very acute manpower problems in such strategic activities as mining, foundries, machine tool manufacturing, electronics, and agriculture.

Even in areas with generally adequate labor supplies, local shortages of workers with particular skills will rise sharply during the next twelve months. As evidence of this trend, employment service clearance orders mounted from 12,200 in June 1950 to 64,000 in June 1951.

These emerging problems suggest that mobilization of manpower must be conducted with skill and foresight to meet existing defense goals and at the same time to maintain a full-functioning civilian economy. If we are forced to undertake full mobilization, the wisdom with which our manpower resources are used will probably determine the level of effective mobilization the nation will be able to reach. Consequently, all manpower programs developed to meet defense needs must be of such character that they contribute to our manpower potential in the event war should be forced upon us. The programs necessary to reach these two objectives fall generally into three main categories: military manpower, professional and scientific manpower, and skilled manpower for industrial and agricultural production.

MILITARY MANPOWER PROGRAMS

Immediately after the outbreak of hostilities in Korea, it became necessary to build up the armed forces through Selective Service and by call to active duty of members of the military reserves. At the same time, it became necessary to step up sharply production of military equipment.

This sudden need by the armed forces for men who had already become key workers in industry vividly illustrated the fact that in modern war all manpower requirements must be taken intelligently into account if our greatest national strength is to be realized.

In order that the armed forces, defense industries, and essential civilian

activities may have adequate access to the manpower which they require, we must construct a system which recognizes the manpower needs of each of these claimant groups. In other words, we must ensure that industry, on the one hand, will not find itself depleted of essential workers because of military requirements, and that the armed services, on the other hand, will not find themselves unable to call up the men they have trained and on whom they have been relying, because they are needed in industry.

Under the Universal Military Service and Training Law recently passed by the Congress, provisions are made for the military training of an adequate number of young men to protect our national security over a long period of years. Although this legislation contemplates active military forces of around 3.5 million, and not more than 5 million, it may well result in a military reserve force of perhaps as many as 6 million men. These men, in terms of physical capacity as well as professional and industrial skills, will represent one of the nation's principal assets for both military and essential civilian activities. In order that this group of men may make its maximum contribution to the national strength both in limited and full mobilization, it is essential that we develop a system of military manpower management which calls reservists to active duty through a highly selective process which takes full account of their relative value to the military and to essential civilian production, research, and education.

Another aspect of manpower management posed by the new Universal Military Service and Training Law is that of assuring a continuing flow of young men trained in the natural sciences, social sciences, humanities, and highly skilled industrial occupations. Failure

to do so could very possibly confront the nation with a serious shortage of highly trained manpower at a time in which both military and civilian requirements for such manpower may be most acute.

Recognizing this problem, the President has provided for a deferment program which will allow for the completion of college training by some 400,000 young men otherwise liable for immediate military service. Under this program the annual graduation rate for male college students would average about 200,000. A somewhat similar deferment program is now being worked out for apprentices in order that industry may train an adequate number of men to meet its expanding requirements for men in highly skilled industrial occupations.

PROFESSIONAL AND SCIENTIFIC MANPOWER

The dramatic contribution of science to the winning of World War II has brought about a general recognition of its critical importance to our national security. A factor which is not so generally recognized, however, is that the number of our scientists and engineers is relatively small. For example, today they number only about 575,000 or less than 1 per cent of our total labor force. Some 110,000 were graduated in all fields of science and engineering in 1950, but this number is not being repeated annually. Although the 51,000 engineers who graduated last year were immediately absorbed by the armed forces and by industry, present college enrollments in engineering have so sharply declined that by 1954 the total engineering graduates will have dropped to only about 17,000. In the event of full mobilization this would represent a tremendous handicap to our mobiliza-

tion potential. Even if no greater emergency should confront us, the prospective shortage of scientists and engineers may very possibly retard seriously the rate of technological advance of which the country is otherwise capable and which is so essential to the maintenance of our national security.

It should be emphasized that our requirements for scientifically and technically trained manpower are not related to the production of more and better weapons alone. The maintenance of our technological progress and an expanding world economy, both of which are essential to our national security, lie in large part in the development of new methods and in the creation of new facilities through which the United States and its allies may become more productive. The training and utilization of scientific manpower is, therefore, a key element in our defense production program. Consequently, the government, with the full co-operation of professional groups, is accelerating its program of measuring and evaluating our scientific manpower resources. Continuing emphasis will be placed upon the most efficient use of such manpower for all necessary military, industrial, research, and educational purposes.

MANPOWER FOR INDUSTRIAL AND AGRICULTURAL PRODUCTION

Two of the major objectives of the defense program are to increase defense production and to build up basic productive capacity. Both of these create manpower demand—the former an immediate demand, the latter a longer-range and continuing demand.

Although we shall not experience the full manpower demands of defense production for many months to come, we have already reached a level of defense output where manpower shortages have

reached serious proportions in some occupations and industries, and these shortages will be accentuated in 1952.

The basic strategy of the United States in meeting these manpower requirements is that of full co-operation of labor, management, and the government.

The experience of all democratic industrial nations shows that manpower objectives are best attained with the acceptance and support of the workers themselves. Compulsion is no assurance of success in solving manpower problems. That was recognized by President Truman in his National Manpower Mobilization Policy, issued January 17, 1951. To "safeguard our national security through maximum development and use of our human resources," the President declared, "recruitment, placement, distribution, training and utilization of the civilian labor force (including Government employees) will be based primarily on voluntary measures."

This policy is being carried out through such measures as: (1) providing appropriate employment information to guide workers to jobs in which they can make their maximum contribution; (2) developing recruitment and rehabilitation activities needed to expand the labor force; (3) training persons to meet civilian manpower requirements and providing appropriate placement services; (4) providing assistance to employers in promoting maximum utilization of the labor force, including women, physically handicapped, older workers, and minority groups; (5) providing adequate housing and community services; and (6) assisting workers to arrange for their transfer to essential jobs in other areas.

To help make this voluntary program work, a National Labor-Management Manpower Policy Committee has been established to advise the Director of

Defense Mobilization and the Secretary of Labor on all major manpower problems and policies.

Program

Likewise, regional and area labor-management committees have been established throughout the country to advise the government on programs needed to meet the problems of specific regions and localities. With the advice and assistance of these committees, a broad program is being undertaken to assure the best use of our manpower resources to meet defense production needs.

First, an attempt is being made to see that production is scheduled, materials allocated, and procurement distributed with the objective of making maximum use of the labor supply in all parts of the country. Whenever feasible from an economic and security standpoint, production facilities, prime contracts, and important subcontracts will be located at the sources of labor supply.

Second, training of persons for highly skilled industrial jobs, including supervisory and managerial jobs, is to be sharply expanded and accelerated. Experience has shown that persons to fill production jobs can be trained very rapidly provided there is an adequate number of skilled and key supervisory personnel to enable the production and training to get under way.

Third, to increase our productive capacity in agriculture, there is being undertaken a vigorous and sustained program to make a more efficient and widespread use of farm machinery and to secure improved use of migratory farm labor. The same kind of consistent effort must be made to reduce existing widespread underemployment among farm families.

Fourth, the federal-state system of public employment offices is giving primary attention to meeting the man-

power needs of defense establishments. Centralization of job orders in local employment offices can contribute much to the effective utilization of local labor resources and, when necessary, to the bringing in of needed workers from other areas.

Fifth, an expanded program of occupational safety and health is being initiated to protect the defense work force.

Finally, the government must take those actions which will encourage the voluntary transfer of workers to meet the most urgent defense production requirements. The use of wage incentives as a means of inducing workers to shift to defense jobs must of necessity be limited. If we are to preserve effective economic stabilization, wage adjustments for purely manpower purposes should usually be limited to making certain that the plant needing defense workers is permitted a wage scale which will place it on an even footing with its competitors for workers in the general labor market area. That much can be done through the wage control machinery. The voluntary transfers which are needed can be greatly facilitated by availability of housing, moving expenses if those are involved, and provision of re-employment rights in the workers' normal places of employment. If workers are to be asked to transfer to other

jobs in the interest of the defense effort, it is important that they shall not be penalized by the loss of seniority and employment security which belongs to them in their places of regular employment.

THE HUMAN ELEMENT

Basic to all our manpower programs is a full realization that our manpower resources differ significantly from all our other resources. It is impossible to separate the human element involved in manpower from the economic contribution which it makes to our economy.

We can distribute our supplies of materials such as steel so as to ensure maximum use of this resource for the defense effort. We can direct, if necessary, the use of our productive capacity by requiring that top priority be given to defense orders. But our manpower resources are human beings, and as human beings and as Americans they have the right and the obligation to assist in determining how they can contribute most to our national defense. It is upon this concept that all our manpower policies and programs are based. With the full co-operation of labor, management, and government we can, with unity of purpose, create the strength we need to preserve our way of life and achieve peace in the world.

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Allocations—Blueprints for Food Distribution¹

By GUS F. GEISSLER

FOR the second time in the past troubled decade, the proper distribution of available supplies of foods² and agricultural commodities threatens as a problem secondary only to that of securing adequate production.

The heart of agriculture's effort must always be to produce—to produce in the volume and variety that will allow food supplies to be distributed and consumed

¹ Because of the constantly changing relationship between supply and requirements, this article should be regarded as a record of the situation as of the month of July 1951. This understanding must be kept in mind particularly with respect to the section dealing with post-Korea actions. Most of the controls described in that section have been eased or eliminated entirely as new developments occurred or as new crops became available during the period between preparation of the article and press time. It is felt that the illustrations of the type and degree of controls which existed or were developed in July 1951, when the extent of post-Korea controls was greater, will contribute to a better understanding of the mechanics involved in dealing with a fluid situation.

² As defined by Executive Order 10161, delegating certain functions of the President under the Defense Production Act of 1950, Part IX, Section 901 (h), and as used in this article, the term "food" means all commodities and products, simple, mixed, or compound, or complements to such commodities or products, that are capable of being eaten or drunk by either human beings or animals, irrespective of other uses to which such commodities or products may be put, at all stages of processing from the raw commodity to the products thereof in vendible form for immediate human or animal consumption. For the purposes of Executive Order 10161 and this article the term "food" also includes all starches, sugars, vegetable and animal fats and oils, cotton, tobacco, wool, mohair, hemp, flax fiber, and naval stores, but does not include any such material after it loses its identity as an agricultural commodity or agricultural product.

through the normal processes of a free economy. However, during a large portion of the past decade, we have not had our will in this matter.

Twice in those eventful years, first a world conflict and now a limited war that borders on a greater struggle have created food problems that could be handled only through planned, controlled distribution. Food, as an indispensable weapon, must make its fullest contribution toward the attainment of military and political objectives of the free world. We recognize that providing adequate supplies of food and fiber for our fighting forces, our workers at home, and our friends in foreign nations is almost as essential as the output of guns and tanks. When shortages are caused by the heightened demands which accompany periods of national emergency, controls must sometimes be resorted to in order to achieve this.

WHAT IS AN ALLOCATION?

In the implementation of food distribution controls, the term "allocation" has come to the fore. To the personnel of the Department of Agriculture and of the other agencies who have worked with us in meeting distribution problems, it has assumed a varied meaning. As we use it, "allocation" means the apportionment of United States supplies of food and agricultural commodities among legitimate claimants—the specific consumer, groups of consumers, individual countries, areas, uses, and programs which have a valid "claim" against that food supply. It includes apportionment between and among—and away from—domestic claimants as well as foreign claimants. It is used

also to mean a stipulated quantity earmarked for a specific claimant or group of claimants. In this latter sense, it may define not only the volume and type of commodity involved but also the period in which that volume is to be available to the authorized claimant.

In effect, allocations are a kind of "blueprint" setting forth the distribution pattern during a current or future period which will enable the available supply of food to make the maximum contribution toward strengthening the free nations. In developing an allocation, an attempt is made to bring into focus every pertinent aspect of food production and distribution in this country and throughout the world. The supply situation, demand factors and elements of preference, foreign economic and political conditions, foreign policies of the United States and of our allies, all must be considered, together with the policies and aims of those governments or forces that threaten a free world society.

Authority to allocate materials and facilities was granted the President by Section 101 of the Defense Production Act of 1950. The law authorizes the President to take this action "in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the National defense."

The responsibility for initiating, preparing, and announcing allocations for food, farm equipment, and commercial fertilizer was delegated by the President to the Secretary of Agriculture in Executive Order 10161.

PRODUCTION THE FIRST CONSIDERATION

Before any allocation action is considered, it must be determined that the sources of supply—our own production, imports, and stocks on hand—will not be adequate to meet anticipated needs and reserves for the period under ques-

tion. Pertinent to this, we have learned that our tremendous productive capacity is not in all cases equal to meeting the demands of even our own people while strengthening defenses. Moreover, we have shouldered a tremendous obligation to aid the free world in every way we can without jeopardy to our own security. In this effort we have reduced those great reserves which were so fortunately stored up in previous years. On the farms this year, we are driving for the greatest possible production of those commodities which are essential to our welfare. Our goal is the largest total farm output in our history. Only with an abundance of food, fiber, and other farm-produced raw materials can we meet military requirements, the expanding demands of a growing population, and the needs of our allies.

Despite this year's all-out effort to secure production in the volume and variety needed to fill the needs of domestic consumers and of the foreign countries which look to us for supplies—and to which we look for markets—a sudden shift in the balance between supplies and requirements can occur at any time.

On the supply side, such a shift may be brought about by a drop in production resulting from unfavorable weather or insect devastation. In spite of safeguards to provide for essentials, the lack of fertilizer, farm machinery, or labor can tip the scales toward food shortages. The urgent need for a certain commodity may dictate such expansion for that crop that acreage increases in others is impossible. Such was the case this year when cotton was expanded at the expense of other crops. Shortages can result also from our inability to obtain from other countries the required volume of imports needed to supplement domestic production.

Some of the changing factors on the requirements side can be foreseen and

provision made to combat them. Adjustment can generally be made for changes in population, employment, income, and economic trends in relatively normal periods. However, any sudden increases in the volume or drastic revisions in the pattern of requirements, such as those brought about by World War II and to a less degree by the invasion of South Korea in June 1950 and the resulting expansion of our defense program, are examples of circumstances which create imbalance between supplies and requirements.

Of course, neither the supply situation nor the requirements situation ever stands still. The constant change in both presents one of the real challenges which exist in the administration of agricultural programs and in the field of agricultural planning in general. Thanks to the scope of the regular activities of the Department of Agriculture, emergencies have not caught us flat-footed in this respect. For example, our work in food distribution planning is greatly strengthened by the regular functions of the Bureau of Agricultural Economics, which, through its crop reporting and analysis of food and agricultural data, keeps the domestic supply situation under constant review. In the same manner, the picture on foreign production, imports, and exports is supplied by the Office of Foreign Agricultural Relations.

WORLD WAR II CONTROLS

Fresh in our memory is the great degree of food control which became essential during World War II when every major commodity was under allocation and a large number of these were rationed to individual consumers or users. While we hope that controls to that extent will never be necessary again, we shall be prepared should they become necessary. There are some strong fac-

tors in our favor. We are fortunate that our present emergency found our nation with substantial food reserves and producing about 40 per cent more than in the 1935-39 period. We are proud of agriculture's basically stronger position now—a status that is permitting her to bear more easily the burden of this defense effort.

Before I go further, let me pay tribute to the way in which the food distribution problems brought on by World War II were handled. We stand heirs to the know-how acquired in that achievement. In the main, the mechanisms existing now for the division of our food supplies are essentially similar to those which grew piecemeal—and sometimes by trial and error—as World War II threatened and then became a reality for us in the early 1940's. It will serve us well to review briefly those food control policies and procedures which were developed domestically and internationally in that intense and long-drawn-out emergency.

On June 28, 1940, Congress delegated to President Roosevelt the power to allocate and assign priorities, principally to cover Army and Navy contracts. As war threatened further, controls were broadened by the Act of May 31, 1941, and after Pearl Harbor, by the Second War Powers Act of 1942 which stated:

Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account as for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the National defense. . . .

On December 5, 1941, the President, in Executive Order 9280, announced that

. . . the functions, personnel, and property established in or transferred to the Department of Agriculture . . . that are concerned with the distribution of food are consolidated into an agency to be known as the Food Distribution Administration of the Department of Agriculture. . . .

While the authority delegated by this order was originally placed under the Secretary of Agriculture, it was later transferred to the War Food Administrator when the War Food Administration was established within the Department of Agriculture on March 26, 1943.

The Food Distribution Administration

The Food Distribution Administration combined the work primarily concerned with food distribution that had been conducted in the War Production Board and in the Department of Agriculture.

Among the specific functions of the new agency was the development of recommendations for allocation of available food supplies among the principal claimants—the armed forces, the civilian population, the Allies, and the peoples freed from the Axis.

Under this authority, an allocation policy was developed to provide American civilians with a diet that at least met minimum nutritional standards worked out with the Food and Nutrition Board of the National Research Council.

Food for the armed forces was to be provided in the volume required and where and when the forces needed it. This meant meeting current requirements as well as building up military reserves at home and abroad. Finally, as now, the policy was to share food supplies as far as they would go with our allies and with other groups engaged in the direct war effort against the Axis powers.

The procedure for putting this policy into effect also followed a pattern simi-

lar to that which exists today. The War Food Administrator empowered the Director of Food Distribution to assemble food requests from all claimants, to weigh these requests, and to divide the available supplies among the claimants.

Those responsible for controlling food supplies in World War II learned quickly that, irrespective of the planning behind an allocation or the altruism embodied in it, the action, inevitably, could not please everyone. The very fact that an allocation was necessary meant that the supply at hand was insufficient to permit giving everyone as much as he wanted. Driven home solidly to those charged with the business of dividing such supplies was the idea expressed glumly by a negotiator at a seeming impasse: "There just isn't enough to go around."

INTERNATIONAL ACTION

As World War II food problems grew, the policy makers learned that although shortage difficulties could not be completely avoided, they could be minimized, not only through mobilization of domestic supplies but also by full utilization of supplies available throughout the world.

An early step in the direction of mobilizing supplies produced by or available to the countries fighting the Axis was the establishment (June 1942) of the Combined Food Board by President Roosevelt and Prime Minister Churchill for the purpose of securing concerted action in connection with food problems. In late 1943 Canada also became a member.

The duties of the Board included the establishment of allocations of all supplies available to its members and collaboration with others of the United Nations toward the best utilization of food resources.

The CFB continued to function throughout the war. Then, in June

1946, the International Emergency Food Council was established and the CFB terminated. The functions of the IEFC in general continued to be similar to those of the CFB, although it operated with an expanded membership (nineteen countries when organized) and directed more attention to distribution of food supplies according to relative need as compared with the CFB objective of furthering the war effort.

The world food emergency continued longer than most members had expected, and it was evident in 1947 that the need for international allocations still existed. Therefore, when representatives of the United Nations met in Geneva in August 1947, it was recommended that the activities of the IEFC be transferred to the U.N.'s Food and Agriculture Organization. This proposed action met with approval, and after necessary arrangements were completed, the IEFC was dissolved in January 1948, and its functions, responsibilities, and procedures were assumed by a newly designated International Emergency Food Committee of the FAO.

In early 1947, cereals, rice, cocoa, fats and oils, sugar, fish, meat, beans and peas, feeds, and fertilizers were all under international allocations developed by commodity committees of the IEFC consisting of members representing the governments of the participating countries.

Allocations of these commodities made by the United States were implementations of the international programs.

As food producing areas throughout the world recovered from the effects of the war, international controls were gradually removed. The last of such allocations—for rice—was terminated in December 1949.

Too little has been said of the accomplishments of the international allocating groups. There is no question that their activities resulted in better distri-

bution of food supplies and generally contributed to recovery. Their record is even more imposing because there is no evidence of deliberate violations of the allocations by any country, even though participation in the programs was entirely voluntary.

Present supply situation

In the present emergency, while it has not been necessary to approach the World War II level of controls, the potentialities of the international situation have dictated a thorough measure of preparedness for food distribution and a few formal controls. Easing the supply picture considerably has been the significant "cushion" in the stocks of several important commodities which had been accumulated by the Department of Agriculture through price-support programs during the preceding years.

On June 30, 1950, the Department held about 3.5 million bales of cotton; 328 million bushels of wheat; 332 million bushels of corn; 162 million pounds of butter; 69 million pounds of Mexican canned beef (procured through operation of the joint United States-Mexico foot-and-mouth disease eradication program); 363 million pounds of nonfat dry milk solids; 94 million pounds of dried eggs; 472 million pounds of linseed oil; 385 million pounds of rosin; and substantial quantities of several other commodities. As of this writing, corn stocks are even greater, and much of the wheat remains as a strategic food reserve. The cotton and the dairy products have since been moved into consumption channels, and this has significantly eased the pressure on supplies—and on prices.

POST-KOREA CONTROLS

Despite the favorable situation up to now with respect to agricultural commodities in general, trouble spots have

arisen. The first one developed in sugar, which was placed under export allocation in August 1950. The price of sugar in the United States was cheaper than the price in other areas, and export demand became so great that the Department's efforts to provide adequate supplies at reasonable prices for domestic consumption would have been endangered if preventive measures had not been taken. At the present time only a minimum quantity of United States sugar is permitted to be exported.

The need for allocation next developed in cotton as a direct result of an abnormally low 1950 cotton crop—about 10 million bales as compared with almost 16 million bales the preceding year. As soon as it could be done after this short supply situation became apparent, cotton was placed under allocation to foreign countries (in September 1950) and the volume of exports was restricted to the extent necessary to assure proper division between domestic mills and consumers and those in foreign countries. Because of the uncertainties which existed at that time, the initial allocation for export during 1950–51 was limited to 2 million bales—substantially less than the export demand. As the extent of domestic requirements became more definite, and as we approached the time when the 1951 crop would become available, additional quantities of cotton were allocated in successive stages until the full allocation for the marketing year 1950–51 totaled almost 3.7 million bales.

The cotton allocation is referred to as an "allocation by destination," inasmuch as it establishes limits not only on the total quantity which may be exported but also on the quantity which may be exported to each destination. For example, France has been allocated 443,000 bales, Venezuela 11,000 bales, and so on through some fifty countries.

Cotton linters, important in the manufacture of explosives, plastics, and other essential industrial products, were also placed under export allocation at that time, but in this case the initial allocation was zero. This had the effect of embargoing exports until a thorough analysis of the supply and requirements situation could be made. The zero allocation was subsequently eased slightly to permit minimum exports to meet highly essential needs in a few countries.

A virtual embargo was placed on inedible molasses during September 1950, principally to assure retention in the United States of supplies needed for industrial alcohol production. This restriction is still in effect.

During November 1950, export controls were imposed on spinnable types of soft cotton wastes supplementing the allocation of cotton. Unlike cotton, the initial allocation of waste was not an allocation by destination but merely a limitation on the total quantity to be exported. Currently, soft wastes are under a so-called "open-end" allocation, which means that no quantitative limit on exports has been established. However, each proposed export is carefully examined before approval.

As a result of the world shortage of wool and the dependence of the United States upon imports, wool and mohair were placed under allocation in November 1950, and exports have been virtually prohibited since that time.

An allocation of canned vegetables involving domestic restrictions was established in March 1951. It was brought about by the fact that substantial quantities of certain canned vegetables needed to be "set aside" for procurement for the armed forces. The allocation in this instance was accompanied by a "set-aside" order under which packers are required to reserve a portion of their packs for procurement by the armed forces. Subsequently,

parallel action was taken on certain canned fruits. Through these programs not only will the armed forces be assured of adequate supplies, but the burden of supplying them will be spread out equitably among the packers.

The only other allocations involve certain imported industrial oils. These were placed under export control during March for the purpose of permitting normal movement to foreign countries while preventing undue export drain of United States supplies. To implement the allocation of castor oil, certain domestic end-use restrictions were imposed.

HOW ALLOCATIONS ARE MADE

An allocation made public in plain terms—"Secretary of Agriculture Charles F. Brannan today announced a preliminary export allocation of 2,500,000 bales of cotton to be licensed for export during the period from August 1 through November 30, 1951"—may appear to many to be a casual and easily effected action. This is truly a case where appearances are deceiving. Before such an announcement is made, a great volume of accurate, timely, and often confidential data must be collected and analyzed.

One of the jobs of the nine commodity branches of the Production and Marketing Administration is to keep an eye on the supply and requirements situation in the various commodities and to initiate action leading to the establishment of allocations whenever available supplies are inadequate and it is believed that proper distribution of supplies would not take place in the absence of controls. To assist in this work, a system of Supply Estimates Committees has been set up within the Department, which consist largely of commodity specialists in the domestic and foreign fields, crop reporting specialists, and others whose knowledge

may contribute to the accurate appraisal of the supply outlook. In addition to PMA personnel, these committees include representatives of the Bureau of Agricultural Economics, the Office of Foreign Agricultural Relations, and the Extension Service. These groups pool all information relating to domestic stocks, production, and supplies available to the United States from other countries and develop forecasts of the supply of the commodity that will be available for distribution.

Claimants and requirements

Simultaneously, the Office of Requirements and Allocations of PMA gathers the best possible estimates of the requirements of each claimant. In doing so, this office works with the so-called "claimant agencies" which have been named by the Secretary of Agriculture as the agencies responsible for submitting and justifying requirements of the claimants under their jurisdiction. These include the Department of Defense for military supply programs, the national stockpile, and occupied areas; the Economic Cooperation Administration for countries in which it has a program; the Department of Commerce for domestic industrial requirements; and the Department of Interior for United States territories and possessions. As in World War II, United States civilians are claimed for by a special branch within PMA. Foreign countries for which ECA is not the claimant submit requirements directly.

Requirements are received on a time schedule which permits continuous scrutiny of the over-all situation. When received, requirements are usually in terms of the end-product desired by the claimant and must be converted into the basic commodities which go into them. For example, during World War II, meat, potatoes, and pepper were all in short supply and under allocation.

When supplies of these were being divided, the quantities allocated to each claimant included not only their "take" of meat, potatoes, and pepper as such, but also the quantities of these commodities in processed food products; canned hash, for instance, contains all three.

In like manner, an allocation of fats and oils would necessarily involve consideration of the soap requirements of claimants.

Requirements must also be converted to an "allocation unit" which is the basic form of the commodity being allocated; for example, meat is allocated as "carcass weight equivalent." Obviously, a claimant who wants a million pounds of beef ribs should not have to compete on a pound-for-pound basis with another who wants a million pounds of boneless beef; the first is equivalent to about a million pounds of carcass, the second about half again as much.

Interagency recommendations

After the requirements have been put on a common footing, the next step is to get representatives of the various claimant agencies and other government agencies around a table, to present them with a "trial-balance" sheet showing the supplies, the requirements, and the deficit to be dealt with, and, in effect, to give them the job of developing recommendations as to which claimants should be "cut," and how much, in order to make the best use of available supplies. These groups comprise the commodity allocations subcommittees of the Interagency Food Committee.

It is at this stage of the process that the "fur flies" the most. Each individual claimant agency representative pleads and argues for the requirements of his claimant as opposed to others and in turn has to defend his requirements against his competitors—the rep-

resentatives of other claimant agencies. The result of this method is that all the factors relating to the degree of essentiality of each claimant's programs and needs are brought out and thoroughly considered.

Generally, unanimous agreement on the division of the supply of a particular commodity is sought at this meeting. If this is not possible, any dissent from the majority opinion is made a part of the documentation of the recommended allocation.

Review of recommendations

Up to this point, all of the work on the allocation has been on a "commodity" basis. That is, the interagency group which has developed the recommendation is largely composed of personnel working in a more or less limited field, such as grains, fats and oils, or meats. Therefore, before the recommendation goes any further, it is reviewed in terms of its relationship to allocations of other commodities, its effect on supplies or distribution of other commodities, and such considerations as general policies and procedures. Although it has not been necessary to do so up to now, it is at this stage that an attempt would be made to compensate for "cuts" in an allocation of a single commodity by giving the claimant larger supplies of another commodity, with the result that although he is not permitted to procure food in exactly the variety he would like to have, his total food position may be maintained.

The final step in establishing an allocation involves consideration by the Interagency Food Committee. In addition to the Department of Agriculture, all government agencies which are concerned with any aspect of distribution of foods and agricultural commodities, such as the Departments of State, Treasury, Interior, Defense, and Commerce,

the Defense Production Administration, the National Production Authority, the Economic Stabilization Agency, and the Economic Cooperation Administration, are represented on this committee. Once again, the proposed allocation is given a thorough going over, but this time from the standpoint of the major policy considerations which are involved.

When the recommendations and suggestions of the IFC have been taken into account, the allocation is approved or sent back to the commodity subcommittee for revision, reconciliation, or other action. As a result of the constant emphasis upon interagency consultation, allocations of foods are essentially government-wide actions.

No international action paralleling that of the World War II period has been necessary for food and agricultural commodities, although international commodity committees for wool and cotton have been established under the International Materials Conference for the purpose of maintaining a continuing review of the need for action on these commodities. While the initial impetus for the Conference was supplied by the United States, United Kingdom, and France, membership now includes delegates from five additional nations, as well as representatives from the Organization for European Economic Cooperation and the Organization of American States.

HOW ALLOCATIONS ARE IMPLEMENTED

Previously, an allocation was described as being a kind of blueprint. The similarity becomes more apparent after an allocation has been established. Although a blueprint of a house is a comprehensive guide to the builders who do the actual construction work, it cannot be lived in. In a sense, an allocation is also a guide, and must be im-

plemented if it is to have any real meaning. This implementation takes several forms, depending upon the type or objective of the allocation.

An allocation to a foreign country is controlled through the system of export licensing maintained by the Department of Commerce. An allocation to the Department of Defense or other government agency may be controlled through the limiting of procurement, by the agency, to the quantities allocated to it. An allocation to domestic industrial use may be implemented through inventory controls or end-use restrictions. An allocation to civilians might be implemented by limiting the quantity which all other claimants may take from market supplies or by institution of rationing of one kind or another.

At the same time, action might be required to assure that the quantities allocated to a particular claimant would actually be available to it. This might require a "set-aside," under which producers are required to reserve certain quantities for particular buyers; or it could take the form of priorities for certain users or end uses. Under certain circumstances allocations such as these and other types of controls might be used to keep supplies in legitimate distribution channels—and out of the black market. The various ways of applying and implementing allocations reflect the flexibility that must be present in food distribution programs. The mechanism which exists permits quick action to meet emergencies—but equally quick action to remove controls when they are no longer necessary.

Because of the present emergency and the necessity for safeguarding against an even greater one, the controls on the distribution of foods and agricultural commodities previously described are essential. However, like most Americans, I have a built-in reaction against

restrictions, and it is my earnest hope that we can soon make the necessary adjustments in supplies which will make it possible to remove even these few.

WHAT IS THE OUTLOOK?

Any forecast of what is in store on the food front must necessarily be based on a number of assumptions and would vary with the assumptions used. We shall not even attempt to outguess the weather or the Kremlin. In this respect perhaps it is a good thing that the future hits us one day at a time. However, this much can be said. We are in

fairly good shape now; we have a healthy farm plant; and, given reasonable weather and adequate supplies of farm equipment, insecticides, fertilizers, farm labor, and food processing facilities, we hope that it will never be necessary to throw the allocation machinery into high gear. If that should ever become necessary, allocations offer a means of easing the impact of shortages and of ensuring that supplies of agricultural commodities will make their maximum contribution to our welfare and to that of the freedom-loving people of the world.

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International Control of Raw Materials

By SHAW LIVERMORE *

THE American position on future control of raw materials begins with American self-interest. We are the largest consumer of a long list of the world's raw materials, ranging from coffee to columbium. We are a "have-not" nation in an embarrassingly large number of those we consume so voraciously. The pressure of mobilization efforts has been sharpest in precisely those materials for which we depend upon nondomestic sources.

But the non-Communist areas of the world must look upon our inroads into raw materials markets as something more than the voracious appetite of a powerful, self-serving leader. We are the most expert user of those materials—the maker of weapons and the source of capital goods to which others must turn. To assure a steady flow of materials to the American defense-building machine is a matter of interest to others who depend upon our strength. In addition, they are and will be, increasingly, contributors to military preparations; and they, as well as the United States, desire to maintain complementary strong economies. Efforts to control constructively the distribution of scarce and wanted materials thus have a solid base of mutual self-interest. Just what degree and kind of control is needed, and will be most effective to maintain balanced free-world strength? An answer is to be sought first in our specific experience with international controls.

* Views expressed in this article are entirely personal and do not reflect policies of the United States Government or its officials.

PRIVATE INTERNATIONAL AGREEMENTS

Agreements among producers themselves to allocate supply or divide markets and thereby influence prices (with the occasional support of political authorities in producing countries) form the first area of experience in applying artificial controls. It was during this wrestling in interwar years with problems of raw material surpluses by producer agreements—which American writers insisted on calling cartels—that there emerged a vague concept of public international effort to achieve something more than private profit-protecting arrangements. The impacts of low prices and curtailment of output upon immobile labor supply, and the blocking of hope and planning in producing areas, enlisted—though only to a limited degree—the sympathy and concern of some consumer nations. Our own experience with the agricultural surplus problem, beginning in Coolidge's administration, was an extended object lesson to political leaders who could thereafter better understand the plights of the world's producer countries struggling with the same difficulties.¹

The United States historically has de-

¹ American writing on producer agreements has generally been part of our study of the "cartel problem." Two publications of the Twentieth Century Fund, *Cartels in Action* and *Cartels or Competition* (New York, 1946, 1948), by G. W. Stocking and M. W. Watkins, together provide extensive material on international and interproducer agreements on raw materials. The bibliography in the latter work contains references to monographs and source material on particular materials.

plored public efforts to bolster private control agreements. Cartel was an ugly word in American usage, and the concept was branded as uneconomic and dangerous by most American writers and public officials. Private profits of owners, whether large or small, were the objective, and the consuming nations were the victims. There had been too many cases in the generations between 1900 and 1940 where producers of nitrates, metals, and a variety of agricultural crops—particularly rubber—had “conspired” to restrict supply and improve their own distressed bargaining position. Why add public international action to assist such selfish efforts? If there were to be public action, let it be “purely domestic, constructive, and far-sighted”—a real program for the affected producing country or countries. The United States undertook this type of program for its own agricultural regions, beginning in the mid-thirties, through the successive phases of the Agricultural Adjustment Administration and the later operations of the Commodity Credit Corporation.

The decade 1930–40, in which these producer-inspired efforts culminated, has come to be regarded as a period of maximum disadvantage for primary producers, possibly the end of a long cycle which may now have shifted to at least as long a period of advantageous terms of trade for the raw materials producing areas.² The particular control efforts which it engendered may therefore not have relevance for some years to come.

CONTROLS IN WORLD WAR II

World War II operations in joint control by the Western Allies over raw materials and foodstuffs form a second and radically different body of applicable

experience. Immediately after Pearl Harbor, the Combined Raw Materials Board was established by a Roosevelt-Churchill agreement. Subsequently, Canada participated as an associated member in many of the Board's decisions. It was a tool of all-important consumer nations, under desperate pressure to secure all available supplies for the war effort and to divide them skillfully so as to maximize production.

On the American side, the Board's efforts to establish sound and defensible requirements as the basis for such a skillful division of the “pie” paralleled the Requirements Committee machinery of the War Production Board. Much of the early CRMB staff work on the American side in dealing with American requirements was concurrently of great help to WPB. Once data were assembled on segments of supply available in the Axis-free world, and on the really essential requirements of the major Allies (including Canada), decisions were not difficult to reach. Forcing realism into requirement projections in the face of the hoarding attitude of military planners on both sides of the Atlantic was probably the Board's most significant contribution.

Cross-criticism of the stated requirements of countries for materials was the striking innovation in the work of the CRMB, as well as in that of the Food Board and the Combined Production and Resources Board. Honesty and realism in estimating future supplies (particularly where, as in the case of the United States, home consumption took a large fraction of indigenous production) also had to be accepted as necessary prerequisites to effective decisions. Underestimating future supply is a familiar tactic in seeking to limit a producer country's export commitments when there is general shortage. In American circles, acceptance of the critical review both of projected supply

² Colin Clark, in *Economics of 1960* (London: Macmillan, 1942), presents a succinct analytical forecast of this shift. See especially pp. 49–52, 90.

and consumption requirements was a hard lesson to learn. But the deflation of exaggerated, careless, and duplicated requirement estimates by military planners and other claimant agencies became a central task of the WPB Requirements Committee in 1943-45.

Certainly we learned by this war experience that the concept of international control contains much beyond a mere marshaling of producers and the effective management of available supply. Effective management of consumer demand (including the military segment), particularly the deflation of consumers' self-made estimates of need, is just as essential.

POST-WORLD WAR II

At the end of World War II, the United States undertook leadership in advocating abolition of restraints on the flow of international trade. This basic objective of our foreign economic policy has not since been set aside, despite the setbacks and difficulties which have dulled the bright hopes of 1945. Through the International Monetary Fund, through participation in the writing of the Havana Charter early in 1948,³ through continuation of our efforts to lower tariffs on a reciprocal basis, and finally through our influence exerted upon countries participating in the European Recovery Program, we have tried to preach and practice the high doctrine of untrammelled international trading.

We have been forced to admit the need for many "exceptions." Many postwar actions, particularly in Europe, have seemed retrogressive in terms of our announced objective. But by maintaining that quotas for imports, currency movement limitations, direct state trading, and state interference with the

volume and direction of commodity flows should be temporary only, and excusable on that ground alone, we left ourselves free to carry on the good fight. Of course, the biggest exception of all has been post-Korean mobilization.

One of the exceptions to which American representatives and negotiators devoted a large amount of postwar time and paper was the concept of formal international commodity control agreements. We approached this problem with two premises: one, that historically (aside from the stimulating experience of wartime allocations) all control efforts had reflected the unwelcome self-interest of producer cartels; second, that the threat of surpluses to producer economies in future years was so real and so dangerous, politically and economically, that an exception was warranted to permit some form of control. The potential threat of economic dislocation and unemployment caused by falling raw material prices loomed in precisely the areas of the world where we were most anxious that stability and progress should prevail as counterweights to the Communist drive.

Some kind of inter-nation agreements could therefore be admitted as necessary exceptions to our doctrine. To counter the producer influence, we insisted that consuming countries be admitted to any future control agreements, that operations be public, and that consumers have an equal voice or voting power in any managing body. Second, we insisted that if agreements on raw materials were successfully negotiated, they should contain provisions for attacking the root causes of inelastic supply and widely fluctuating prices. Diversification of enterprise and resulting new opportunities for employment in one-crop or one-mineral areas were, of course, basic avenues of attack. Third, a short life for any control agreements

³ *Havana Charter for an International Trade Organization*, Department of State Publication No. 3206, Washington, D. C., 1948.

would ensure careful periodic reconsideration. Five years was the favored maximum term of life.

All of this position on commodity controls was spelled out in Chapter VI of the Havana Charter. Despite its orientation toward surplus-fearing, these basic principles of public international agreements can still be useful in the future. Formal ratification of the proposed International Trade Organization and its supporting Charter failed in Congress, but our adherence to the United Nations Educational, Scientific and Cultural Organization has in effect continued our moral obligation to conform to its principles in our dealings on the subject with other free nations.⁴

POST-KOREA FEAR OF SHORTAGES

To many Americans, during the past year (July 1950-June 1951) the idea of "international control" has meant simply, How do we get more from foreign producers? This essentially selfish view has been the natural reflex of panic and worry engendered by Korean events. As such, it is perfectly understandable. But to posit all discussion of international action on the getting of a larger share by the dominant consumer is hardly constructive. If we do so, we must expect the replies to be other selfish questions: What do you offer?

⁴ In the case of wheat, the United States, as a major producer and exporter, was worried about future surpluses before the proposed Havana Charter was written. Consequently we took a positive position in seeking, in 1947-48, a formal international agreement in a form which conformed to our postwar concept. The Wheat Agreement is thus a postwar model agreement, and the only one which the surplus-fearing era actually spawned. The complete about-face to fear of shortages in wheat simply emphasizes the fact that all the efforts and worries of the United States from 1946 to early 1950 concerning surplus commodity problems suddenly fell out of realistic relationship to world commodity conditions when Korean hostilities broke out.

How high will you bid? How many years' output will you agree to take at a premium above today's high prices? Further, if new capital is needed, and the United States is so anxious to get added production, surely it will also provide the entire new investment?

Thus for much of the year following the attack upon South Korea, the temper of the United States was ill fitted to attainment of mutual producer-consumer agreements or of complex international undertakings to share supplies or even of joint discussion and planning of long-range expansion of productive facilities. It was much more a temper which perforce led us into a position of offering five- or ten-year purchase contracts on extravagant terms to individual mines or producers, of bidding up prices to shut out other friendly claimants, and of offering to finance high-cost new additions to domestic mines or plants in the face of obviously better opportunities in foreign localities. Any process of building carefully on accumulated experience, particularly on that gained during World War II, seemed too slow and lacking in strong incentive to more output. Some groups even urged the making of a series of bilateral "deals," supplying our tractors and machinery on a calculating basis to those areas which would offer the most raw materials we wanted.

But if the United States in its post-Korean mood was hardly attuned to the emergence of any truly co-operative pattern of planning and control, most other free nations had their own reasons for urging some imitative form of the World War II kind of controls; that is, for the immediate protection of their consumers, not their producers. Those nations (and some colonies or dominions) which were strictly producers of the most-sought-for materials naturally did not join in. They were for the most part intensely concerned with the im-

mediate harvest of sales to an eager United States. But the smaller European countries were disturbed by the disappearance of normal sources of their small but highly essential requirements. Controls to stabilize distribution patterns seemed to them essential, especially as protection against the appetite of a consumer whose "take" of the world supply of key materials—especially the metals—had been mounting proportionately since 1946, and at an accelerated pace in 1950-51.⁵

A MORE BALANCED VIEW

There gradually emerged in the United States in early 1951 a more solid view that a leader nation cannot afford to ignore the need for some regularization of control over short commodities as part of the responsibilities of leadership. There was also the practical realization that if the United States did not participate in the give-and-take of allocating available supplies and exercising mutual restraint on overbuying, it would gradually find its sources of supply drying up. Producing countries, foreseeing higher and higher prices induced by unchecked American demand, would withhold output from the market; in other areas, controlled by European governments, preference would be given to home governments to cover essential needs, and to other non-American buyers on a reciprocity basis, out of sheer self-protection. More and more would be demanded as the price of undertaking particular expansions of capacity. Our moral leadership would be damaged by our lack of restraint in purchasing and by our overriding of the legitimate import needs of allies whom we were simultaneously urging to build up armament

production and capacity by using the very materials we were engaged in cornering.

Establishment in January 1951 of the International Materials Conference as a forum for all free nations interested in rational and equitable distribution of scarce materials, with the United States as its leader and host, marked this change to a more balanced view. The establishment of a thirteen-agency Committee on Foreign Supplies and Requirements in the Office of Defense Mobilization was further evidence of a second, harder look at the problem. A conference of the Organization of American States, in April 1951, laid great stress on the equitable sharing of resources and the principle of equality of sacrifice in the mobilization effort.

THE AMERICAN POSITION

In May 1951, Charles E. Wilson as Defense Mobilizer issued a public statement summarizing the basic American position on the sharing of resources and their allocation among the free nations. After specifying the highly essential mutual objectives of supporting military efforts, increasing the free world's resources, maintaining strong civilian economies, reducing direct dependence of friendly countries upon aid from the United States, lessening the need for supplies from the Soviet bloc, and arresting "political deterioration," the statement went on:

Allocations by the United States form part of a wider give-and-take among the free nations. Among the countries sharing in such allocations, the principles of self-help, mutual aid, and similarly effective application of internal policies governing the allocation and use of scarce materials should prevail. . . .

After requirements of high essentiality have been met, the inter-country allocation of remaining supplies by the United States

⁵ For a typical group of materials which the United States imports heavily, our "take" of the total free world supply has moved up from roughly one-third in 1938 to roughly one-half in 1951.

(including allocation to American domestic consumers) should take into account the effects upon the respective civilian economies of the broad contribution of each area or country toward common defense, in direct military production or in increased political and economic strength, including the common aim of controlling inflation of world prices. Individual countries differ widely in their ability to make such contributions; the objective should be to bring about an equitable distribution of the resulting burdens and sacrifices. This objective clearly excludes any mechanical formula, or any mere leveling down to a uniform standard of lowered consumption. . . .

Corresponding allocation objectives and policies on the part of other free countries should be promoted by the United States by all practicable means. . . .⁶

This statement contained no indication that formalized international allocation machinery would or should be the only avenue along which we could progress to achieve mutual objectives. Emphasis lay rather on the adoption of similar principles and policies by each country, acting on its own initiative and responsibility. If all like-minded countries would take this course, then the give-and-take of sharing materials and resources could conceivably operate smoothly and effectively to the collective advantage of all.

Other observers of the current situation, and of the problems rising up ahead of us as resources are pinched by mobilization, see as essential the emergence of tighter and more rigorous devices for inter-nation sharing. They are quick to look back, nostalgically, to the Combined Boards and the tight reins held over international distribution of materials during World War II. The devices used then to assure conformance could, they say, be easily revived and imposed on source countries by the active co-operation of a united—even

though much more numerous—group of consumers.

The United States, the United Kingdom, Japan, Italy, Belgium, the Netherlands, and Western Germany effectively dominate the demand for nearly all the essential materials for industry. Indeed, their combined importance has suggested the ugly term "consumers' cartel" to describe the power they could jointly exert. Power over actual imports, over shipping availabilities, and over actual ownership of many producing units, and the power to regulate the outward flow of industrial goods needed by "underdeveloped" producing areas, constitute a real arsenal of weapons to enforce controls. The existence of legal power to adopt public, centralized purchasing in nearly all of this inner ring of consuming nations is a further ready-at-hand tool to enforce allocation decisions. The United States has already undertaken exclusive public purchasing of tin and rubber, and may soon (June 1951) do likewise with other materials.

IS FORMAL CONTROL THE ANSWER?

But the alternative to formalized control agreements is not necessarily chaos, even with severe shortages. The opposed view is that, given exchange of data and forecasts, and friendly working relations among the handful of major consumer countries, implemented by producers' own export allocations on a flexible basis wherever they are needed, even better results are obtainable. Particularly during a period when capital resources are available to expand production, emphasis is better laid on planning to stimulate increased future output than on carving up a static current supply. Too much emphasis on the formalism of allocation will divert energy and attention away from the future. Interference with producers' freedom to bargain will kill incentive to expand.

⁶ The statement was printed in full in the *New York Times*, May 30, 1951.

Flexible export quotas by producer countries, interfering with private trade as little as possible, will meet pressing needs and avoid an atmosphere of struggling to freeze shares in an inelastic supply.

Of course, this approach implies an approximately equal degree of concern with the problems of other countries, and an equal willingness to treat domestic consumers within each producing country with the same rigor as those elsewhere. It implies also that producers will respond to incentives and that supply is not wholly inelastic. But there is no reason for despair that informal and quarter-to-quarter allocations of a growing supply will not be sufficient. Paradoxically, where shortages are the greatest, not only now but for the long pull (true for at least a dozen metals and minerals), the effect of too formalized allocation on efforts to expand production might be negative.

PRECISE VALUES OF CONTROL

In terms of American responsibility for economic leadership in the world, we therefore need to ask ourselves some pointed questions about the precise value of control mechanisms to the free-world fraternity of nations. The questions, and the answers, would be quite differently framed if actual hostilities on a full or near-full scale were in prospect.

Question of Soviet trade

1. Would formal and all-embracing mechanisms of control really help to deprive the members of the Soviet bloc of key materials they are now obtaining? We have witnessed clumsy legislative attempts to exercise American "leadership" in stopping East-West trade by unilateral action. We have also seen laborious negotiations by the Department of State and the Economic Cooperation Administration, since 1947, to

minimize the flow of Soviet-bound materials. The first attack overshoots the mark; the second is weak because it depends for success on equal willingness and equal degrees of sacrifice by a group of nations only loosely associated and concerned more with penalizing one another's trade with exact equality of suffering than with the main objective. Formalizing the association-of-free-nations concept and the extent of an anti-Soviet embargo into a permanent structure of control seems suited to the long-run problem of choking down Soviet trade to the most advantageous minimum. But tight controls are not an attraction to those free nations who do not, as yet at least, want to be associated with outright anti-Soviet measures.

Stimulating production

2. Would a series of control agreements act as stimulants to production in the next decade? Certainly a major objective of our national policy in a period of building strength rather than one of all-out war, and therefore a central problem of the associated free nations, is a steady upcurve in production of a score or more of wanted raw materials. In terms of past experience, the concept of a formal control structure scores very feebly here. Both pre- and post-World War II experience and discussion were directed to use of the tools of control to restrict supply, not to increase it. To advance an argument that allocation controls could in themselves aid in promoting expansion of output by thousands of producers scattered over the world seems almost a foolish contradiction of experience.

The process of exchanging supply data, of separating essential from non-essential requirements, followed by formal assignment of future shares or quotas in the projected supply total—all this procedure seems to flow from a resigned acceptance of the fact of an

essentially static supply. Peacetime experience has pointed to elimination of supply surpluses, not deficits, as the only *raison d'être* of such a procedure. All the teachings and experience of the value of free international markets, and of the powerful incentives to expansion released by a free play of consumer demand upon suppliers' actions, rise up against the imposition of artificial restraints on demand and the precise pre-channeling of supplies.

Yet there remains, stubbornly, a belief that something can be positively achieved. Past experience may simply mean that there is hitherto undiscovered value in the co-operative harnessing of a rising free-world demand as a means of bringing about orderly, solid expansion of materials output. Fuller exposition of that belief is a primary responsibility of those who advocate adherence by the United States to major continuing allocation agreements.

Question of inflation

3. The third major question to be faced is: Will our leadership in *checking price inflation* be aided by our entry into control agreements? The view that Soviet policy aims to bleed the free world by destroying its economic stability has much evidence in its favor. Dissidents can say that the Soviet irritant is just strong enough to provide a modest upthrust in the tempo of production and consumer spending, thus warding off the slackening of producer-goods demand and the resulting unemployment which the Western world has even more cause to fear. To steer between these hazards, with the barometer of Soviet hostility alternately rising and falling, may necessitate new aids to the helmsmen.

All the free nations profess their fear of inflation. But they all must equally acknowledge, politically and even in the true economic sense in most cases, the

advantages of improved terms of trade for their principal exports. Confronting the anti-inflationary defenses are the frank advocates of a higher price for each commodity or each industry in turn. Those who export a major fraction of their output are the fair-haired favorites. We are all too familiar with this problem of the general versus the particular in domestic anti-inflation policy, in 1951 as much as in 1946 or 1948. The difficulty of actually accomplishing price stability plus a balance among our other objectives, for each of a score of materials, is undeniable. But it does not at all invalidate a generalized answer that expert international management of key materials might be a real and permanent weapon against the spreading infection of inflation.⁷

Independence of scarce items

4. A fourth question remains. It is the obverse of the second. What program of international control will contribute most to the vital objective of freeing ourselves—and our allies—from a *hampering dependence upon natural materials* which are scarce purely because the earth's crust does not contain them in accessible and sufficient quantities? We must move steadily, in the next decades, toward the plentiful and

⁷ Part of our difficulty in answering this third question lies perhaps in a misconception of what the economically "right" level of many raw material prices ought to be. Are we still chained to price relationships of the 1930-40 period, when the level of prices to producers of twoscore key materials may have been quite "wrong"—that is, at what may be the low points of the century? The basic inflationary menace can be checked and held without changing the need for adjustment in the spectrum of individual raw material prices. Without that adjustment, we may be in danger of sacrificing the vitally important stimulus to increases in supply of those materials upon which our future military survival may depend. Assurance of growing supply may be the better anti-inflationary weapon in these particular cases.

away from the scarce.⁸ Prices are the measure of scarcity; controls and restrictions on usage are its penalty. Conscious policy should aim to lower the total costs of materials and to free the economy from restricting shortages. To enforce permanently tight allocations of supply and to impose permanent end-use restrictions could conceivably be the best ways to force active and practical research into the quest for substitutes. But such restrictions may, on the other hand, nurture a stubborn "we-must-have-our-share" attitude. They may overstress and magnify the importance of the scarce items. The free world's attention, by whatever steps are best, should be focused on the desirability of gradually shedding our dependence on the score or more of materials with recalcitrant supply curves.

A FLEXIBLE PROGRAM

No careful review of these questions (and the range of the answers has only been sketched herein) can fail to point

to an equivocal conclusion. There is no call for American leadership in simple terms. The task of persuading, cajoling, or forcing adherence to inclusive control mechanisms by the raw materials producing nations (including the United States, for commodities of which it is a producer and net exporter) is a difficult one at best. Justifiable uncertainty exists in other consuming countries as to the correct degree and extent of the international control to be sought. There is assuredly no specific control plan being advocated to which we must bow as the "price" of our leadership. Nor in terms of our self-interest as the largest consumer, which would have to underlie aggressive leadership, is there an indisputable basis for seeking systematic international controls.

Some concerted steps will presumably be wise and necessary to deal on a multination basis with perhaps a dozen materials where acute shortages now press dangerously on the mobilization effort. But these may well be *ad hoc* measures, tailored to the current situation as it improves or worsens from quarter to quarter. It is along precisely this line that the International Materials Conference reached its first agreements on allocation in the summer of 1951.

⁸ This is one basic point of departure in the current work of the President's Materials Policy Commission ("Paley Commission"). It is to be hoped that the Commission's report, due late in 1951, will deal exhaustively with this fundamental objective.

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Problems of United States Mineral Supply

By ELMER WALTER PEHRSON

THE position of the United States in world affairs will depend to a large degree upon her success in maintaining supplies of minerals that are essential to her industrial well being. In these days of mechanized warfare, industrial power is a prerequisite to political and military power. Industrial power, in the modern sense, in turn depends on the utilization of mineral fuels for the production of steel and the creation of heat and mechanical energy. No less important is the transformation of metallic ores and rocks into machines and equipment required for industrial and military operations and for public use. America's international position, therefore, must be supported by measures designed to cope realistically with the problems of mineral supply, and these are becoming more difficult to solve.

Basically, the United States has been favored with extraordinary mineral wealth to safeguard its position in world affairs. Prediction as to the ultimate mineral yield of any large area involves considerable hazard, because Mother Nature is capricious and resourceful in concealing her underground treasures. Nevertheless it seems reasonable to assume that no other area of the earth's crust of similar size will ever match or exceed in quantity and variety the vast mineral wealth of the United States. Our people have had the skills necessary to utilize this rich endowment in building the industrial might of America. The United States is the world's leading producer and consumer of minerals, a condition that has made it possible for only 7 per cent of the world's population to occupy the outstanding position in the world's economy shown in Figure 1.

There is ample evidence to support the conclusion that our share of the world's wealth will decline in future years. The heavy drain on our resources in the past is beginning to show up in declining or static production rates for some of our basic mineral commodities, when an expanding economy is calling for constantly increasing supplies. Despite our vast mineral deposits, we are a have-not nation in many essential commodities, some of which are available only in distant areas. Other countries are awakening to the beneficent aspects of industrialization, and as their aspirations for the more abundant life materialize, competition for the world's available supply of mineral raw materials will intensify and the United States will encounter increasing difficulty in obtaining the share of the world's output it has been accustomed to using in the past.

In the battle for industrial supremacy we are thus beset with problems on the home front and in the international arena. Victory requires wise and aggressive action by those who shape our destiny, and this necessitates understanding of the vital role of minerals in the nation's economy, the facts regarding our domestic mineral position, and the factors that govern the development and international movement of mineral raw materials.

ROLE OF MINERALS IN AN INDUSTRIAL WORLD

The essentiality of raw materials in manufacturing is generally accepted as axiomatic, but the fundamental importance of mineral resources and the limitations imposed on industrial development by the unequal distribution of

these resources is not widely understood. A striking illustration of the influence of mineral deposition in determining the pattern of today's world is the fact that before World War II the five leading belligerents were also the five leading coal-producing nations of the world. In order of declining rank they were: United States, United Kingdom, Germany, the Union of Soviet Socialist Republics, and Japan. That victory went to the side with the greater

vantage, but its significance as a steppingstone to industrial power is decidedly secondary to that of coal. Four of the five principal belligerents in World War II also were among the leading iron ore producing nations of the world. Japan was the exception, and as a consequence her steel industry was vulnerable, being largely dependent on imported ores and scrap. Brazil has the greatest iron ore reserves in the world, but she is unable to translate them into

OUR SHARE OF THE WORLD'S WEALTH

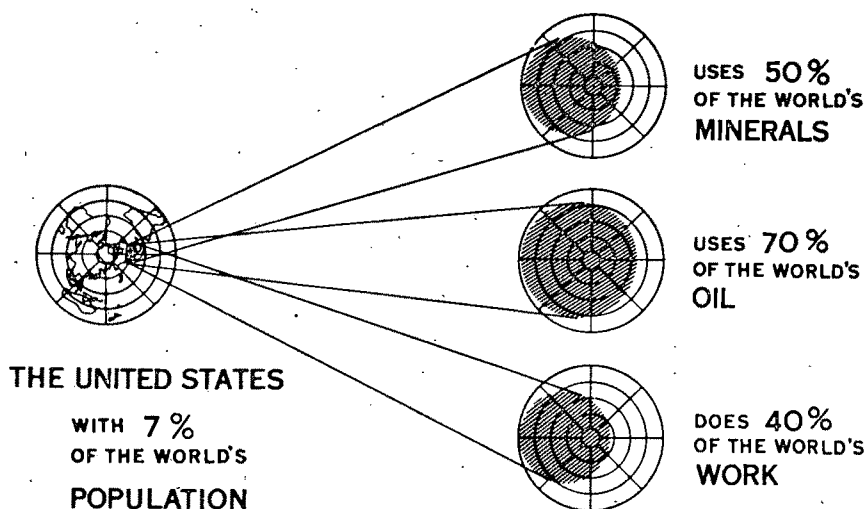


FIG. 1.—Our share of the world's wealth.

coal producing power should by no means be regarded as a mere coincidence.

The industrial significance of coal is not due so much to its ability to produce heat and mechanical energy as it is to the fact that coal is the primary requisite for steelmaking. Iron ore and numerous other mineral raw materials also are indispensable in the production of steel and steel products, but history reveals that typically these flow to the coal producing centers. Possession of iron ore resources is a tremendous ad-

industrial power because she lacks adequate coal resources.

Much effort is being devoted to the development of steelmaking methods that do not require high-grade coals, but no process competitive with standard blast furnace practice has been developed. Consequently, the present outlook is for steel production to continue to cling to those countries having adequate coal resources, and the distribution of coal reserves will continue to be the principal determinant of the industrial pattern of the world of tomorrow.

Atomic fission, and possibly other presently untapped reservoirs of energy, may be developed to supplement coal as a source of heat and power. But the substitution of other materials for coal as a metallurgical and chemical raw material is definitely not on the horizon.

The introduction of the internal combustion engine and the resultant importance of automobiles, trucks, and airplanes in the transportation field have added petroleum to the list of top-flight mineral requirements in the twentieth century. Recent events in Iran have demonstrated with emphasis the tremendous political and economic significance of oil. Petroleum, coal, and iron ore are, in reality, the "blue chips" in the competition for world power.

Minerals other than coal, oil, and petroleum

Many other minerals besides the big three are indispensable to efficient operation of an industrial society. The manufacture of steel necessitates the utilization of large quantities of ferroalloying minerals. These minerals either assist in the removal of impurities from the metal or add strength, hardness, and resistance to corrosion and abrasion to the finished steel. They make possible the production of goods with a wide range of performance characteristics. Further fabrication of the primary products of the iron and steel industry into machinery requires still other types of metals and nonmetallic minerals. The automobile uses tremendous quantities of copper, lead, zinc, tin, aluminum, mineral pigments and fillers, mica, and asbestos. The introduction of electricity into almost every household has given the public firsthand evidence of the indispensable nature of copper in the transmission of electric power and in electrical equipment. The light metals—aluminum, magnesium, and more recently titanium—

have experienced a tremendous growth because of their light weight combined with great strength, which makes them ideally suited for certain types of applications, such as in aircraft.

The fertility of soil, hence the maintenance of the food supply, depends largely on the replenishment of the three major mineral elements essential to plant growth—nitrogen, phosphorus, and potassium. Nitrogen is available in virtually inexhaustible quantities from the atmosphere. Rich phosphorus deposits are rather widely distributed throughout the world, but there are many important agricultural areas devoid of indigenous sources of this plant nutrient. Potassium minerals are available in substantial quantities in very few localities. Consequently, international trade in phosphorus and potassium minerals and fertilizer products is large and has important significance in international economic relations. World trade in sulphur, an essential reagent in the manufacture of fertilizers as well as many other chemicals, likewise is very large.

No mineral self-sufficiency

From the foregoing, it may be concluded that any nation aspiring to top rank in world political affairs must first have an adequate home supply of coal and the ability to use that coal as a foundation for a steel industry. The alimention of the complex industrial society that inevitably develops around steel-producing centers and the maintenance of soil productivity necessitate a steady flow of a great variety of other minerals. No nation is fully self-sufficient in all essential minerals. The unalterable pattern of mineral occurrence thus predetermines the areas destined to wield major industrial, military, and political power. At the same time, the unequal distribution of mineral resources creates an interdependence among the

nations of the world. In times of emergency, the industrial powers are vulnerable to the blockade of the flow of minerals, the lifeblood of industrial might. The less industrialized areas, as was demonstrated in World War II, suffer as a result of deprivation of essential goods normally obtained from the manufacturing nations.

The United States should be fully aware of its vital stake in the mineral resources of foreign lands and of the mutual interest of all nations in the

is entirely self-sufficient in only nine commodities. Fortunately, this group includes that most important of all industrial raw materials, coal. It will be noted also that the position is favorable with respect to iron ore and petroleum. For the immediate future, the problem of maintaining supplies of these three premier raw materials is not serious. For the more distant future, however, petroleum is likely to present major difficulties unless the rate of discovery increases abruptly. The present trend

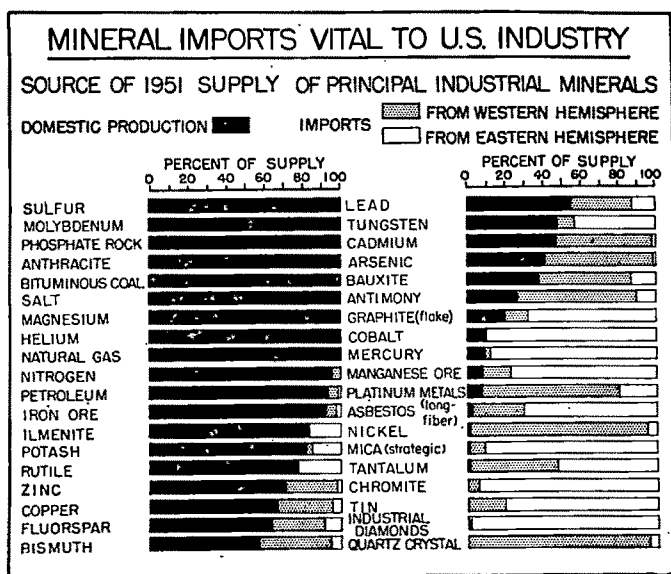


FIG. 2.—Mineral imports vital to U. S. industry

orderly development and conservation of the irreplaceable sinews of war and peace. No aspect of national policy transcends in importance the adoption of measures to safeguard ourselves on the mineral front.

THE MINERAL POSITION OF THE UNITED STATES

Figure 2 presents the estimated position of the United States in thirty-eight important mineral raw materials in 1951. It will be noted that the country

toward increased imports of iron ore poses security problems that require remedial action.

The position in fertilizer minerals assures the fertility of our soils. The imports of nitrogen reflect a good-neighbor policy toward Chile, the only significant producer of natural nitrates in the world. Self-sufficiency can be attained at any time by building additional plant for the fixation of atmospheric nitrogen. Enormous resources of phosphate rock provide ample supplies of phosphorus;

and reserves of potash make self-sufficiency possible for decades, if necessary. Sulphur resources are adequate for domestic needs, but depletion and rapidly rising world requirements indicate that we cannot continue much longer to supply most of the foreign markets as well.

The United States is particularly vulnerable in the ferroalloy group, since only one of these minerals, molybdenum, is produced at home in sufficient quantity to meet domestic demand. Less than half of the nation's 1951 tungsten supply will come from domestic sources, and because of its extreme hardness and resistance to high temperatures, tungsten is indispensable in the maintenance of high-speed production and in the manufacture of armor-piercing projectiles and electronic equipment. Manganese ore, which is required in the purification of iron and steel and to impart toughness to steel products, is obtained very largely from foreign sources; and nickel and chromite are produced domestically only in negligible proportions. Domestic resources offer little promise of major improvement in the nation's position in this group.

Modern industry cannot exist without adequate supplies of copper, lead, and zinc. Formerly the United States was largely self-sufficient in these basic raw materials, and at times was a net exporter; but in 1951 a large share of the supply must come from foreign sources. Sixty per cent of our supply of bauxite, the ore from which aluminum is produced, is obtained abroad. Tin, another nonferrous metal essential because of its wide industrial application and its use in tin cans for preserving perishable foods, is virtually all obtained from foreign sources. Many other materials essential to efficient operation of industry are not available domestically. For example, industrial diamonds, the hardest substance known

to man and therefore the most effective material for use in the fabrication and maintenance of high-speed cutting tools and drilling equipment, are available in adequate quantities only in Africa.

Impact of depletion

Because mineral deposits are exhaustible, the faster a country expands its mineral output in pursuit of industrial affluence, the faster it liquidates its fundamental source of wealth. New discoveries and improvements in technology which make possible the recovery of a greater proportion of the useful mineral in a given deposit, or which extend the range of commercial operations into lower and lower grade resources, postpone the evil consequences of exhaustion. But eventually depletion takes its toll of communities and nations. Ghost mining camps all over the world present grim testimony as to the transitory nature of local mineral prosperity. The decline of England as a world power reflects, at least in part, over a century of heavy drain on irreplaceable resources. The cream of her rich coal and iron reserves is gone and with it the ability to keep pace with a rapidly changing world in which authority is measured in units of industrial output.

The impact of depletion is showing up in the United States in no uncertain terms. Figure 3 illustrates the sharp deterioration in our position in four important minerals—copper, lead, zinc, and petroleum. Production has failed to meet demand in recent years, the gap being most severe in the domestic metal supply. Lead production during the past two decades has averaged considerably less than in the previous twenty years. These developments are due to the fact that the deposits in our great mineral-producing centers have been exhausted to a point where higher production rates are not possible. At

the same time discovery has declined drastically, so that new sources have not been forthcoming to replace the older areas.

Perhaps the most striking illustration of depletion in the United States is the decline in mercury production. Peak output was recorded in 1877, when the United States was supplying most of the world. In 1951 production probably will not equal 10 per cent of the 1877 output, although the price is now much higher.

Prolonged shutdowns were not costly. Exhaustion of this stockpile is forcing greater dependence on less flexible and more costly underground mining. We are also increasing our dependence on imported ores. Both of these developments are undesirable from a security viewpoint. We could avoid them by stimulating production from the low-grade taconite ores of Minnesota, which are available abundantly but at somewhat greater cost than high-grade foreign ores. Peacetime economic consid-

OUR DECLINING MINERAL SELF-SUFFICIENCY

NET EXPORTS  NET IMPORTS 

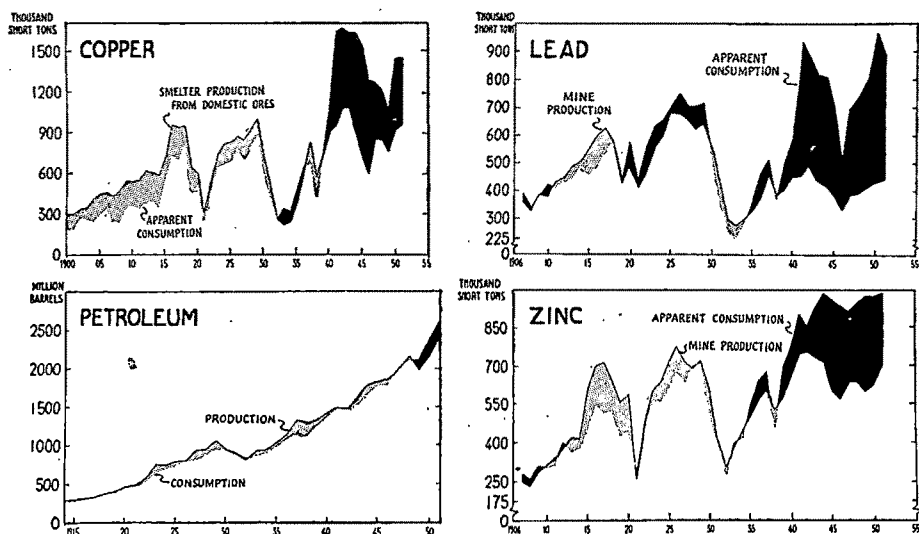


FIG. 3.—Our declining mineral self-sufficiency.

While the trend in iron ore production continues upward, our position in this commodity is aggravated by the advanced depletion of the high-grade ores of the Mesabi Range in Minnesota. This vast deposit has served as a giant stockpile from which the nation could quickly increase production in times of emergency. Since the ores were situated near the surface, they were amenable to simple open-pit production techniques and could be brought into operation on relatively short notice.

erations, therefore, dictate the present trend toward increased dependence on Latin America, Canada, and to some extent the Eastern Hemisphere.

The foregoing developments are inescapable symptoms of waning mineral security resulting from depletion. Another factor contributing to greater dependence on imports is the ever increasing variety of minerals required to satisfy expanding human desires. Seventy-five years ago about thirty-five minerals met the industrial needs of

the nation; nearly a hundred are used at the present time, and many of the new minerals have to be obtained abroad in various proportions.

Future outlook

What is the prospect for the arrest or reversal of the decline in mineral self-sufficiency in the United States? Assuming that present trends in consumption continue and that no drastic change occurs in the relative price level for minerals, improvement can be achieved in only two ways—through technologic progress which will increase the recovery of useful minerals from known resources, and/or through discovery of new resources.

The future impact of technology is difficult to appraise in precise terms. During the past twenty years, a period of unprecedented advance in many branches of applied science, domestic production of some basic minerals has failed to keep up with rising demand. It should not be inferred from this experience that technology has not already made an important contribution to mineral supply, or that it will not play a major role in the future. The mineral professions have done yeoman service in devising more effective and cheaper methods for utilizing resources, as a result of which greater proportions of the useful minerals are recovered from crude ores, and what was once worthless rock has now become a valuable asset. There is still much improvement possible in conserving resources, and there is much marginal resource that can and will be brought into commercial use through further advance in technology. An aggressive long-range program to achieve these objectives and to develop competitive substitutes for materials in which the nation is deficient is an imperative requirement for security. But the record supports the contention that research alone does not

provide an easy way for converting scarcity into abundance in the mineral field.

The outlook for major improvement through discovery is likewise uncertain. The United States has been heavily prospected, and the days of easy and accidental discovery are about over. Substantial discoveries by traditional methods of prospecting will be made, but in the aggregate they probably will not be sufficient to arrest the trend of declining self-sufficiency for any prolonged period. The main hope for the future depends on the development of new methods for discovering the vast untapped mineral wealth that doubtless still lies hidden beneath the surface. Something is needed to supplement the prospector with pick and burro and the geologist. Geophysics has been remarkably successful in increasing the rate of discovery of oil fields during the past twenty-five years, but there are signs that this stimulus is already abating. Comparable results have not been attained with geophysics in the search for metals.

Technologic progress and discovery will continue to cushion the effects of mineral depletion, but it is doubtful that they will greatly alter the trend toward increased dependence on imports. Development of economical methods for finding hidden deposits could cause a reversal of the trend, but the chances for success are too uncertain to serve as a basis for formulating national policies.

COMPARISON WITH OTHER WORLD POWERS

With the exception of the U.S.S.R., no other important industrial nation can attain a degree of self-sufficiency equal to that of the United States. The British Empire probably leads in the possession of mineral wealth, but the resources are widely dispersed and cannot

effectively be brought together to create industrial power of equal rank. The coal and the iron ore of western Europe support the industry of that area, but lack of political unity prevents full realization of their potential. It should be noted, however, that the region is deficient in petroleum resources and many other essential minerals.

The position of the U.S.S.R. is significant in the light of international political conditions existing in 1951. While the mineral resources of the U.S.S.R. cannot be evaluated in detail because of the blackout on statistics and technical data that has existed for many years, it is reasonable to assume that the country is rich in minerals and that its resources can support a greatly expanded industry. The land area is 2.5 times as great as that of the United States, and much of it is known to be geologically favorable to mineral deposition. Vast areas are still unexplored. Therefore, possibilities exist for large additions to known resources through discovery.

Minerals within U.S.S.R.

The coal reserves of the Soviet Union rank second only to those of the United States, and there are ample supplies of steelmaking quality. Her iron ore reserves of commercial grade are reported to exceed those of the United States, and she is the only world power having abundant manganese ore and chromite within its own borders. The great distances between deposits and industrial centers and poor transportation are serious handicaps to industrialization, but the Soviet Union's steel industry is soundly supported by resources. The announced goal of 60 million metric tons of steel capacity by 1960 (1940 output estimated at approximately 21 million tons) is attainable if the country has the organizing ability required for such a program of industrial expansion.

Proved petroleum reserves are relatively small, but experts rate Russia first in potential yield, with nearly 25 per cent of the world total. Fertilizer raw materials are abundantly available, and the country appears to be self-sufficient in several nonferrous metals and nonmetallic minerals.

There are, however, numerous deficiencies. Among the commodities of which imports are required to supplement domestic supplies are antimony, bismuth, cadmium, cobalt, copper, industrial diamonds, lead, mercury, molybdenum, native sulphur, tin, tungsten, and zinc.

The Soviet Union's steel production, estimated at 27 million metric tons in 1950, is only 30 per cent of the United States output, and her coal consumption is only 50 per cent of that of the United States. The U.S.S.R. thus lags far behind in the development of her resources, and it is by no means certain that she has the technical and industrial skills to realize the full possibilities of those resources.

However, there is evidence to indicate that progress has been made and more is possible, despite repeated failures of five-year plans to reach their objectives. For example, from 1925 to 1938—thirteen years—Russian steel production rose from 2 million to 20 million tons per annum. While the U.S.S.R. started four decades later and thus had the benefit of forty years of technical progress, it is well to remember that the United States took nineteen years, from 1886 to 1905, to accomplish the same expansion. The pre-World War II advance has now been resumed.

Minerals available to U.S.S.R.

In addition to her superior self-sufficiency, the Soviet Union has other advantages over the United States in the relatively undepleted condition of her

resources and a more favorable outlook for discovery. Availability of all essential minerals in the Eastern Hemisphere, in contrast to United States dependence on transoceanic sources, gives the Soviet Union a decided geographic advantage in assuring access to strategic supplies. While political considerations preclude full realization of that advantage for the present, it is significant to note that the sphere of influence established since the end of World War II has already buttressed several weak spots in the Soviet mineral economy.

For example, the U.S.S.R. now has first call on the world's greatest reserves of tungsten and antimony and substantial tin and mercury resources in China, and molybdenum in Manchuria. Her nickel position was improved by territorial acquisitions from Finland. Poland and East Germany have important zinc and lead resources. Hungary has large bauxite reserves, and Rumania has oil that is an important contribution to Russia's present needs. Europe's best known uranium deposits are in East Germany and Czechoslovakia. The only mineral of strategic importance that does not appear to be available in the U.S.S.R. and satellite countries is industrial diamonds. These mineral resources, as well as the established industry in the conquered areas, now support the Russian position.

The mineral resources of the U.S.S.R. are large, and while the industrial and military power inherent in those resources has not been achieved, there can be little doubt that eventually this power will exert a profound influence on world affairs. The speed with which this development takes place depends chiefly on the ability of the Russian people to acquire industrial proficiency. Creation of another industrial giant will inevitably increase the competition for mineral supplies from the nonindustrial areas.

EASTERN HEMISPHERE VERSUS WESTERN HEMISPHERE

There are some who advocate a program of Western Hemisphere self-sufficiency because they recognize the improbability of major improvement in the United States position. Figure 2 shows clearly that the Western Hemisphere is supplying only part of our import requirements at the present time. A review of available data on world reserves of those minerals which we now obtain in substantial proportion from the Eastern Hemisphere fails to present reassuring evidence that Western Hemisphere self-sufficiency is possible of attainment.

Table 1 shows the hemisphere distribution of production and known reserves of thirteen of the more important minerals. The overwhelming advantage of the Eastern Hemisphere in reserves of manganese ore, chromite, tungsten, tin, and potash, and the substantial advantage in lead, bauxite, and ultimate petroleum resources are clearly indicated. Although quantitative reserve data are not available, the record of production indicates that the Eastern Hemisphere also has a virtual monopoly in industrial diamonds and an overwhelming advantage in available reserves of strategic qualities of mica, asbestos, and flake graphite, as well as other highly specialized mineral products that are essential in modern industry. Table 1 also reveals that, with the exception of coal and total iron ore, the West's share of production is larger than its share of reserves, indicating that the resources of our hemisphere are being depleted more rapidly than those of the rest of the world. The disparity is particularly significant for tungsten, lead, zinc, tin, bauxite, potash, and petroleum.

Unless we are prepared to impose drastic limitations on the use of those raw materials that are not available in

adequate quantities in the Western Hemisphere, self-sufficiency for this half of the globe is an unattainable dream. It is inconceivable that the nations will accept the privations and inefficiencies that would result from such a program. Wisdom dictates that the countries of the Western Hemisphere, the United States in particular, recognize their vital stake in the mineral resources of the Old

the interdependence of nations, and thus encourage peaceful relations, siphon funds into international trade that is badly in need of dollar balances, provide exchange with which foreigners can purchase American goods, help improve the lot of underprivileged people in underdeveloped areas, and assist in providing opportunities for profitable investment of American capital in foreign

TABLE 1—PRODUCTION AND ESTIMATED RESERVES OF VARIOUS METALS AND MINERALS IN THE WESTERN AND EASTERN HEMISPHERES
PER CENTS OF WORLD TOTALS*

Metal or Mineral	Production		Estimated Reserves	
	Western Hemisphere	Eastern Hemisphere	Western Hemisphere	Eastern Hemisphere
Iron ore (iron content)				
Presently mined grades	55%	45%	47%	53%
Marginal ores	—	—	59	41
Total	55	45	56	44
Manganese ore	9	91	5	95
Chromite	6	94	2	98
Tungsten	26	74	2	98
Copper	68	32	58	42
Lead	67	33	39	61
Zinc	61	39	50	50
Tin	25	75	8	92
Bauxite	67	33	38	62
Potash	35	65	2	98
Phosphate Rock	64	36	54	46
Coal	41	59	51	49
Petroleum				
Proved and indicated	78	22	50	50
Potential	—	—	31	69
Total	78	22	34	66

* Source: E. W. Pehrson, "Estimates of Selected World Mineral Supplies by Cost Range," United Nations Scientific Conference on the Conservation and Utilization of Resources, Lake Success, August 1949.

World and orient their strategy so as to assure continued flow of these materials to the New World.

THE IMPORT PROBLEM

It can be argued with some logic that dependence on imports for mineral supply is not a problem but in fact a desirable condition. Imports lessen the drain on domestic resources, emphasize

mining enterprise. In a utopian "one world," or even in the world that existed two decades ago, most of the above arguments would be valid. But today we have two worlds girding for war. In this situation our overwhelming objective should be the survival of the United States as an impregnable arsenal of democracy. This requires that the flow of foreign minerals to the United States must be adequate and secure.

Dependence on imports presents major peacetime and emergency hazards. Experience in two world wars has demonstrated that oversea movement of goods in time of strife is exceedingly perilous. Eighty-five per cent of the bauxite shipments from Caribbean areas destined for United States ports was lost during the last war before enemy submarine action was brought under control, and this took place when the nation was straining to expand aluminum production for the bomber and fighter-plane programs. There were numerous other narrow escapes, and production of various types of civilian goods was reduced because of shipping losses. Our increasing dependence on foreign iron ore is creating another dangerous weakness in our raw material armor. The present stockpiling program will provide some protection, but published data on the total cost of the project indicate that planned objectives are inadequate to meet the needs of a major global war. Moreover, the program is far from complete, and no provision has as yet been made for losses of iron ore should foreign sources suddenly be cut off. The fact that our puny stockpile already has been called upon to meet deficits even in the early stages of mobilization forbodes costly security measures if war comes.

Peacetime access to foreign sources is becoming more difficult. Iron curtains, many forms of trade barriers, the desire for economic self-sufficiency, restrictions on foreign capital, and the shrinking opportunities for bonanza discovery as the frontiers are pushed back are the principal factors restraining the international flow of mineral raw materials. Since the end of World War II the prewar trend among native governments toward exacting a heavier toll for the exploitation of mineral wealth has been resumed with vigor, particularly in the areas that

have recently achieved political autonomy. An official of one of the important mineral-producing countries boldly stated the proposition as follows: "... the large engineering and manufacturing industries of the world will not be able to draw so unrestrictedly as in the past, on ores and raw materials (of backward countries) except on the basis of reciprocity and more liberal terms. . . ." The climate for foreign capital is decidedly unfavorable in many areas that could profit greatly from more aggressive use of their resources, and as a consequence mineral development lags. Prudence requires that the United States and other industrialized countries recognize the dangers inherent in these trends and that they cope with them on a realistic and equitable basis.

THE ROAD AHEAD

Only the United States, western Europe, and the U.S.S.R. possess the basic mineral resources—coal and iron ore—capable of supporting giant industries. Consequently they are the only areas that can back up a bid for world power with the necessary industrial might.

The U.S.S.R. lags far behind the United States and western Europe in the development of her resources and thus ranks a poor third as an industrial power. The deficiency in industrial production, however, is offset to some extent because under her totalitarian system the U.S.S.R. can divert a greater proportion of her output to military purposes. Other factors such as poor transportation, manpower, geography, and her advanced state of mobilization also have a great influence in the U.S.S.R.'s military power for the near future, but analysis of these factors is beyond the scope of this paper. The mineral power of western Europe is large, but it is not politically united.

Consequently it does not match that of the United States. From the standpoint of over-all self-sufficiency in minerals the U.S.S.R. ranks first, the United States second, and western Europe third. Not only does the U.S.S.R. have a greater variety of minerals in quantities adequate for her own needs, but most of her deficiencies can be met with supplies from contiguous satellite countries, and all of them can be supplied by Eastern Hemisphere sources. The United States on the other hand is dependent on the Eastern Hemisphere for a large quantity of vital materials.

Western Europe holds the balance of mineral power at the present time. If the U.S.S.R. should secure intact the industries based on the coal and iron of Great Britain, France, and Germany and effectively utilize them, the United States would be confronted with a formidable rival. Control of the Eurasian Continent would jeopardize United States access to the minerals of Africa, without which our industrial efficiency would be impaired dangerously. This must be prevented at all costs.

Growing industrial power in the U.S.S.R. will reduce the overwhelming advantage now held by the free world. However, the U.S.S.R. can never match the combined mineral resource strength of the Western Hemisphere, Africa, and western Europe. From the viewpoint of the United States and the Western Hemisphere it is imperative that the industries of Europe and the mineral wealth of Africa remain securely on our side and that they be mobilized to full strength so long as the Russian threat continues.

Teamwork is the keystone to collective security in a military sense. It can also contribute to the economic well-being of the peoples of the world. During times of peace, however, the urge to competition and international rivalry

is strong. In this competition the United States has a favorable position, but it is vulnerable because of its dependence on imports and the rapid rate of depletion of known reserves of certain key minerals.

LINES OF DEFENSE FOR MILITARY SECURITY

Our first line of defense in the battle for security is the domestic mining industry. National policies fail to recognize this fact, and as a result the incentives for mineral development are waning. The tax gatherers and labor view as happy hunting grounds the handsome profits of the relatively few successful mineral enterprises. They fail to realize that the occasional rich rewards provide the inducements that keep costly and highly speculative exploration and development alive in a free enterprise system. Present tariff policies also in the long run weaken the initiative needed to maintain the nation's position in such essential materials as copper, lead, and zinc.

Government support of exploration and technological research that offer the best hope for creating new resources to offset the effects of depletion is grossly inadequate. Since the risks involved in such expenditures are great, private capital cannot be expected to do the job. National interest fully justifies the expenditure of public funds for this purpose. Antitrust policies preclude co-operative action in the mineral industries even though such co-operation would serve the public interest through conservation and stability of employment and production.

Stockpiles and allies are our second line of defense from the viewpoint of military security. Because our stockpiling program is too little and too late for the present crisis the protection of

access to supplies from friendly areas must receive major attention in the near future. For the more distant future more realistic stockpiling measures are in order.

Imports will forever remain indispensable for building up the stockpiles and for alimending our industrial machine. Security in this field necessitates more effective bargaining with foreign countries. Our stake in the minerals of Africa and the tin in Southeast Asia is vital. We cannot risk the loss of access to these areas as we did the loss of the world's greatest resources of tungsten and antimony in China. We have potent bargaining powers and ample moral justification to support vigorous action.

However, in pressing for access to foreign sources of supply, we should recognize the legitimate aspirations of raw-material-producing countries to derive as much benefit from their natural resources as possible. Our price policies must be fair, and we should be

sympathetic to the establishment of processing operations in the countries of origin whenever such activities can be conducted economically. We should welcome financial participation by nationals of foreign countries in enterprises created chiefly by American capital in those countries. Our diplomacy should secure and assure fair and non-discriminatory treatment of American nationals operating abroad.

America's bid for world leadership and her desire for security can be successful if we have the wisdom to maintain a strong domestic mining industry and to deal realistically with other raw-material-producing nations that can make up the deficiencies in domestic resources. But we must also bear in mind that material strength alone cannot bring lasting satisfaction. Mobilization for leadership on the mineral and industrial fronts must be accompanied by ideological rearmament. Lasting victory will be won in the hearts and minds of free men.

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Utilizing Our Soil Resources for Greater Production

By ROBERT M. SALTER

IN some quarters there is concern as to whether the nation's soil resources can support the United States in a position of world leadership. Our soils are capable. We can be confident of that. The problem is to manage our soils so as (1) to yield enough crops to meet current increasing demands, (2) while doing it, to increase soil productivity enough to support even higher production on a sustained basis, and (3) to provide farm families with a high standard of living.

Some popular opinion holds these to be conflicting objectives. I do not. There is an abundance of scientific evidence, backed by practical application on farms, to conclude that we can make our soils produce enough to meet current needs and also to provide for the long pull. Modern measures for improved soil management contribute toward both goals simultaneously. The job is to get such measures into general use on farms—a job that will take much “doing.”

As a backdrop for discussing the various factors involved in this concept of soil utilization, we need to consider the size of the production job, trends in crop production, and the nature of our soil resources.

HOW MUCH PRODUCTION?

No one can predict accurately the production requirements for world leadership. We do know that the demand for agricultural products has been increasing at a rapid rate since the summer of 1950 when the free world took a firm stand in resisting Red aggression. We also know that food is a potent instru-

ment for winning and retaining friendship with other free nations. In many instances, food can do what bombs and bullets cannot accomplish.

Military mobilization itself stimulates the rate of crop consumption. Also, special military needs must be met. Castor oil, for instance, has become essential to the operation of much modern military equipment. Already thousands of acres are being diverted to the production of castor beans, a crop new to American agriculture.

This nation's huge industrial machine, the greatest in the world, is leaning more and more on agriculture as a source for raw materials. Soybeans, for example, are the raw material for more than four hundred manufactured products, ranging from plastics to printing inks. As industrial production continues to expand, so will the requirements for agricultural production to support it.

The population of the United States is increasing at the most rapid rate in this century. We now number over 150 million. Population trends indicate that our numbers may swell to 200 million within a quarter-century, making 50 million more mouths to feed and backs to clothe.

Nutritional standards for a large segment of our population are still too low for good health. Recent surveys show that to meet the minimum dietary standards established by the National Research Council, 40 per cent of the families need more calcium, 20 per cent need more Vitamin C and some of the B vitamins, and 10 per cent need more protein and iron. To meet these needs would require increased production of fruits, vegetables, milk, eggs, and meat.

Obviously, the future requirements from agriculture will greatly exceed current production; and demand will grow progressively over the years.

PRODUCTION TREND IS UP

Already the requirements from agriculture are high. Demand has increased at a rapid rate during recent years, and production has kept pace. Farmers are now producing at a record level. Output is running about 40 per cent higher than in 1935-39. Production per hour of farm worker has increased about 50 per cent during the last decade. Per-acre crop yields have increased 30 per cent above prewar.

There is good reason to believe that the present rising trend in crop production will continue for an indefinite period, because the forces behind it still have unexpended power. Furthermore, agricultural science is busy developing more new technology.

But let there be no misunderstanding. So far, the biggest contributing factors to the upward trend have been mechanization, improved crop varieties, crop pest control, and better cultural measures. Soil improvement, too, has helped on some farms, but hardly enough to offset soil deterioration on other farms. On many farms soil fertility is still on the down grade. On our most productive lands in the midwest and the Great Plains, for example, exploitive systems of farming have been followed on most farms since the very beginning of American agriculture. The inherent productivity of the soil has declined continuously, and is still going down. Gains from programs for soil conservation and from increased use of chemical fertilizer have not offset losses from soil deterioration.

Reversing the downward trend in soil productivity would give another sharp rise in crop production. Herein lies one

of our greatest opportunities for expanding the capacity of American agriculture to produce.

SOIL IS A RENEWABLE RESOURCE

No longer do we consider soil as simple, dead, and sterile matter. Our modern concept is founded on the understanding that soil undergoes continuous change—some natural and some man-made.

Soil is made up largely of small mineral particles. Yet chemical changes are continually in process. Soil contains roots of living plants, small animals, and billions of microorganisms (bacteria and fungi). It is made up of a combination of solid inorganic matter, dead organic matter, living organic matter, water, soluble salts, and air. Also, climate, vegetation, and topography make for different patterns of soils. Thousands of different soil types have been identified. Wide variations occur within a county, and usually the soil pattern varies on individual farms. Also, there is great variation in the kinds of crops that different types of soil will grow—and in their response to management.

Some soils are highly productive in their natural state, while other virgin soils are relatively unproductive. The degree of inherent productivity of any soil depends on the natural processes that build it. In the midwest, for example, the natural building processes stocked most soils with an abundant supply of organic matter and mineral elements, leaving them highly productive. In the southeast, on the other hand, soils were developed under forests in a humid climate with little freezing and much leaching, leaving the majority of them acid in reaction, low in organic matter and mineral fertility, and relatively unproductive.

From our modern understanding of the natural processes that build and

change soils, two points of great significance are evolving:

1. Some soils naturally infertile can be made highly productive. Many fields once considered "worn out" are yielding crops abundantly, and some where soil fertility was naturally too low for economic production are being cropped profitably. In the eastern part of the United States, the soil is much better today on many farms than it ever was under natural conditions.

2. Naturally fertile soils that have lost productivity through use and abuse often can be rejuvenated. While the practical level of productivity for economic sustained production on such soils is somewhat lower than in the virgin state, high levels of productivity can be maintained. Already, productivity is on the "come back" on many farms where yields were falling off because of declining soil fertility.

The job we face is one of bringing the greater portion of the land now in use—both naturally fertile and infertile soils—to a high level of economic production on a sustained basis. We need to offset soil deterioration, and on many soils go even further—build them up to higher levels of productivity.

HOW SOILS DETERIORATE

Soils deteriorate through numerous changes, many of which are not readily visible. Deterioration can be classified into two basic types, both important but varying as to conditions. The first is actual removal of soil by erosion—by wind or water. The second includes changes within the soil itself under cropping—changes hard to detect on sight. Both processes often go on simultaneously and affect each other.

Erosion

The physical removal of soil by erosion or wind blowing may in extreme cases render the soil totally unsuited to

cultivation, as where severe gullying occurs. The more usual damage, however, is that resulting from loss of surface soil. In removing the surface soil, erosion usually exposes soil layers that are more compact and less favorable for root growth than the original topsoil. Erosion—even sheet erosion—causes serious fertility losses far greater than the weight of soil removed might indicate. In most agricultural soils the plant nutrients—nitrogen and phosphorus particularly—are concentrated in the surface layers. Losses due to erosion are especially serious for those two nutrients.

Damage to cultivated land by erosion is a serious problem in much of the country. Not all soils, however, are subject to erosion, which naturally is related to the kind of soil and the slope of the land. For those that are, it is often necessary to check cropping losses and increase fertility before erosion losses can be checked. In any given instance the relative importance of the factors contributing to erosion depends upon the type of soil, especially the character of the several layers or horizons and slopes, the crops grown and their culture, and the climate.

Cropping

Soil deterioration through cropping is at least as serious as losses resulting from erosion. The majority of people, however, are more fully aware of the damage from erosion. They do not realize that on an acre of fertile soil growing a cultivated crop such as corn, the productivity decline from cropping may equal the loss of twenty tons of topsoil through erosion.

Any agricultural soil, under any cropping system, is undergoing both improving and depleting processes at the same time. Even under natural conditions both downgrade and upgrade processes go on, but they tend to reach a unique

equilibrium for each level of natural environment.

When placed under cultivation, a new environment is created. Usually the downgrade changes are accelerated, and the soil deteriorates. Mineral elements are removed by both crops and drainage, often faster than new supplies are made available. The annual plant nutrient removal from United States soils by crops is about three million tons of potash, nearly two million tons of phosphate, and over three million tons of nitrogen. Except for phosphate, not nearly that much is returned. We need to put back much more to build up responsive soils to a high level of productivity.

Mineral nutrient removals represent only a part of the soil deterioration resulting from cropping. Loss of organic matter is even more serious. Organic matter is highly important to inherent soil productivity. The superiority of most productive soils is largely the result of organic matter. Stable soil humus is a reservoir for about 98 per cent of all soil nitrogen, about 50 per cent of the phosphorus in surface soil, and smaller amounts of other nutrients. It makes for good soil structure essential to proper movement of air and water in the soil.

The importance of organic matter—and the seriousness of its loss—is better understood when we realize that in the fertile soils of the corn belt each 1 per cent of soil organic matter adds about 10 bushels to the acre yield of corn. Thus, in soil with 3 per cent organic matter, inherent productivity will account for a yield of about 30 bushels of corn per acre; while in soil with 6 per cent organic matter, inherent productivity will account for a yield of about 60 bushels per acre.

Organic matter is destroyed through the activity of bacteria and other micro-

organisms in the soil. The process is essentially one of oxidation, and requires air. Each time the soil is stirred, air is introduced and the rate of organic decomposition is speeded up. Nitrogen and other nutrients are then released to the crop, or made subject to leaching. This explains why destruction goes on so fast under intertilled crops such as corn.

Organic matter also functions as a binding agent to promote good aggregation and porosity. As organic matter is depleted, soils become more compact; porosity is less, which means that the soils become less permeable to air and water; and the soil becomes more and more susceptible to erosion.

BUILDING SOIL PRODUCTIVITY

If we are to reverse the declining trend on the majority of our soils, we need to determine for each farm the optimum combinations of practices to achieve both conservation and high production—and get them into use. It is important to understand that most of the steps required to increase crop yields tend to lessen the effect of soil deterioration from cropping and reduce the erosion hazard.

Seldom can our goal be achieved by a single practice. Instead, in nearly all areas, a sound program of land use will include a combination of such practices as adequate liming to control soil reaction, adequate acreage of legumes and grasses in the cropping system; return of adequate quantities of plant residues including the proper conservation and use of animal manures, use of adequate amounts of mineral fertilizer, improved treatment and management of pastures, and special erosion control and water conservation measures. Cropping systems and management practices must be adjusted to the capabilities and needs of local soil types.

Lime

On most soils east of the Great Plains lime is a basic factor in building soil productivity. By far the most effective method for overcoming soil deterioration, brought about by erosion or due to chemical and biological forces, consists in expanding the acreage devoted to the soil-building sod legumes. The successful establishment of these legume crops requires a fair abundance of lime in the soil. Only by liming acid soils can they be made to grow the more efficient soil-improving legumes.

Despite large increases in the use of liming materials, especially since the introduction of the Agricultural Conservation Program, the annual return of lime to soils in the humid area is still far short of that needed to offset removals by crops and drainage. Farmers are now applying lime at an annual rate ranging from 25 to 30 million tons, which is eight to ten times as much as they were applying fifteen years ago. Yet, it still falls far short of needs. Most acid soils need a substantial application of lime every four or five years. Profitable use can be made of two to three times the amount now being applied.

Limestone resources of the United States are ample to supply liming materials at such high levels for hundreds of years.

Legumes and grasses

The values from including grasses and legumes, especially deep-rooted legumes, in crop rotations have long been recognized. They are our best antidote for the destructive effects of row-crop cultivation. Yet too few farmers use enough of them.

Long-time field experiments have revealed that each time a full-season cultivated crop is grown without return of

residues, the soil loses through biological oxidation about 2 per cent of its organic matter and nitrogen. (Erosion frequently causes additional loss.) Under small grain, the annual loss is about half as great—or 1 per cent.

These experiments also show that growing legume sod crops in the rotation will offset these losses. Gains from a crop of red clover, even with the hay removed, about offset the losses from a crop of corn. Alfalfa and sweet clover are even more effective in contributing organic matter and nitrogen to the soil. They will almost offset losses from a crop of both corn and small grain.

Deep-rooted crops are the major factor in maintaining structural stability and permeability, aeration, and drainage in the deeper soil layers. In addition to the physical effects, deep-rooted crops feed not only in the topsoil, but also in the subsoil. An active root system is about the best defense against nutrient leaching losses. Decomposition of root and crop residues of such plants releases into the surface soil nutrients that come from deeper layers.

On sloping soil subject to erosion, legume and grass mixtures are better than either legumes or grasses alone. Legumes furnish needed nitrogen while grass holds the soil from eroding between the crowns of legume plants.

Grown alone or in combination with grasses, deep-rooted legumes leave large residues of organic matter and nitrogen within the soil even when the tops are removed as hay or pasture. They improve soil tilth and drainage and effectively protect the soil from the erosive impact of rain. Plowing down a good two-year stand of alfalfa, for example, will leave in the soil more than three thousand pounds of dry weight of roots and eighty pounds of nitrogen per acre.

Critics of this system maintain that it takes too long. They say that by

following this route for building soil productivity we shall need to sacrifice some immediate production, and that farmer income will be impaired. Recent research findings suggest otherwise, provided the cropping system for a farm is planned for an extended period, such as five to ten years. While the cost of shifting often requires a temporary economic sacrifice, the new system soon becomes more profitable than the old.

For example, in a four-year rotation of corn, wheat, alfalfa, alfalfa, in Ohio, with the use of only moderate levels of mineral fertilizer over a thirteen-year period, corn produced an average yield of 68 bushels per acre, wheat 41.8 bushels, and alfalfa averaged three tons of hay each year. At current farm prices this would permit realizing a gross return of more than \$100 per acre during each year of the rotation. With liberal applications of fertilizer, yields were substantially higher. A farmer following such a system certainly is not sacrificing farm income. And he is maintaining soil productivity while producing at a high level.

In straight corn-small grain rotations, substantial gains can be realized from the use of legumes as a catch crop with small grain, to be plowed under the following spring before planting to corn. Increases in corn-yields as much as 35 bushels per acre are possible under a well-managed plan. Many corn-belt farmers already follow this practice, but not all of them. Even many who do, fail to realize the full potentials from the system. Recent experimental evidence strongly indicates that on many soil types, use of adequate amounts of mineral nutrients will give a substantial boost to the system.

In the corn belt there are at least 7 or 8 million acres of small grain planted each year without an accompanying legume—where a legume could be used. Probably on another 7 or 8 million

acres, legume stands are poor or fail because of inadequate fertilization or for other reasons that could be corrected. In total there are between 10 and 15 million acres of small grain where potentialities from a legume catch crop are not being realized. Increases in corn yields resulting from this practice would vary, but a conservative estimate would be from 12 to 15 bushels per acre.

If all such small grain acreage in the corn belt is properly fertilized and seeded with a legume crop for 1952 and is plowed under as green manure in the spring of 1953, it can easily increase corn production by 200 million bushels in 1953. Such a system certainly is not sacrificing immediate production. And the legume crop in such a rotation, accompanied with the use of adequate fertilization, would about offset the losses in soil productivity from both the corn and small grain crops.

Similar gains could be realized from other uses of legumes and grasses. Recent experiments have shown, for example, that on much land, improved meadows and pastures can be made to produce as much total digestible nutrients per acre as high-yielding corn crops, and at less cost and with less labor.

Animal manures and crop residues

The return of crop residues, including animal manures, is a highly important factor in building soil productivity. Much crop residue is now being returned to the soil, but we are not realizing the full potential from animal manures—nowhere near it.

One billion tons of manure, the annual product of livestock on American farms, if completely recovered, carefully preserved, and efficiently used, should produce six billion dollars' worth of increase in crop production. The potential value of this agricultural resource is three times that of the nation's wheat

crop. The organic matter content is twice the soil organic matter destroyed in the growing of the nation's grain and cotton crops.

Not more than one-fourth to one-third of the potential crop-producing and soil-conserving value of animal manure resources of the country is now realized on harvested crops. That it is economically feasible to prevent much of this loss has been conclusively demonstrated both experimentally and by farmers in Europe and in this country.

Animal manure is valuable in several ways. It increases the size of crops, tends to lessen the effect of destructive crops, and increases the effect of accumulative crops. Manure also contributes directly to the humus content of the soil, since it supplies both organic matter and nitrogen. For a given amount of plant nutrient supplied, manure adds about twice as much to the humus content of the soil as do chemical fertilizers. About half of the conservation effect of manure arises from increased residues from the larger crops grown, whereas the other half represents the direct contribution from the organic matter supplied in the manure itself. Eight tons of manure per acre has half as much effect on soil productivity as a crop of clover.

I can think of no single improvement in farming practice that would yield as big dividends in soil conservation and improved soil productivity as the general adoption of practical and effective measures for the preservation and use of animal manures.

Chemical fertilizers

The use of chemical fertilizers in farming is already making a substantial contribution to our productive capacity. During the last ten years fertilizer use has increased two and a half times. Consumption in 1949 totaled 18,542,000 tons compared with 7,912,000 tons in

1939. Fertilizer now accounts for about 25 per cent of the total United States production.

Recent experimental findings suggest hundreds of new opportunities for increasing crop yields through greater use of fertilizers. Usually the opportunities are greatest when fertilizer is used in adequate quantities in combination with several other improved practices. The greatest returns from the use of green manure legumes, for instance, come when higher rates of phosphate and potash fertilizers are applied to the green manure crop.

Evidence from east of the Great Plains and irrigated areas clearly indicates that the use of balanced fertilizers on grasslands, in conjunction with other improved practices, could easily double forage production on 250 million acres of grasslands. Other experiments show that on intensively cultivated crops such as cotton, tobacco, and potatoes, where heavy applications of phosphate and potash have been used over a long period of years, these elements have accumulated in some soils to a level where continued heavy usage is uneconomical. On much other land, however, use or heavier use of these elements would increase yields.

More extensive use of nitrogen fertilizer on crops holds the greatest of all potentialities among the various fertilizer elements, provided that nitrogen is not used as a substitute for legumes, manure, and other sources of organic matter, or to overcultivate sloping erosive soils. We are just beginning to appreciate the values than can be gained from heavy applications of nitrogen fertilizers. Agronomists in general are raising their sights as to the quantities that can be used efficiently.

In the southeast, for example, we have found that with heavy applications of nitrogen in combination with the use of adapted corn hybrids, closer plant

spacing, and improved cultural practices, corn can be made to produce yields comparable to those produced in the corn belt. Farmers in Virginia and North Carolina have doubled their average corn yields during the past five years under this system. And many farmers have not yet put it into use.

In my opinion, these states have so far realized only about half of the gains possible from this system. If the system were applied to all of the present corn acreage in southeastern states, corn production in that area could be increased at least 250 million bushels annually. This would require the use of about 325,000 tons more of fertilizer nitrogen. Increased use of nitrogen fertilizer would also build up soil productivity. At best, crops recover no more than 60 per cent of applied nitrogen. Some not recovered is lost through leaching, but much of it becomes fixed in soil humus. This is evident from the fact that farmers harvest bigger crops of oats following corn, from fields where nitrogen fertilizer has been applied.

Our current production of fertilizer nitrogen falls far short of supplying the element in quantities needed for more widespread use. That situation, however, can be corrected. Since synthetic nitrogen can be manufactured by fixation of nitrogen from the atmosphere, supplies are limited only by the capacity of chemical plants to produce it.

With phosphate and potash, on the other hand, we must depend on natural deposits to fill our needs. These resources, however, are adequate. If the present world consumption of phosphates were eight times greater, the known world reserves would last more than two thousand years. If the present consumption of potash were eighteen times greater, the known world reserves would last five hundred years. And the world has not been thoroughly explored for these minerals. Here in this coun-

try, for example, we have huge deposits of potash—more difficult to process than those now being used—that are not now being worked simply because they cannot be exploited in competition with current sources.

Conserving water and controlling erosion

Recently we have acquired much new knowledge about soil-crop-moisture relationships. Although no successful way has yet been found to produce rain, methods are being devised to make better use of what nature hands out. Experiments with various crops have consistently demonstrated that soil moisture and soil fertility must go hand in hand for the most effective production. Higher yields, which result from improved soil and crop practices, place a heavier drain on soil moisture. Practices that conserve water as well as soil have the greatest bearing on production.

There are real opportunities in making more efficient use of the rain water that falls on the land. In the humid area—east of the Mississippi—we are losing about one-third of the annual rainfall through runoff, which underscores the importance of soil and crop practices that conserve moisture and make more efficient use of it. Numerous improved tillage and terracing practices that conserve moisture are already in use. Other practices that will serve this end are now being developed. Extensive use of such measures can do much to increase production and reduce losses from erosion.

Farming on the contour, for example, can reduce water runoff and erosion losses and increase crop yields on millions of acres of sloping land where contouring is not now being practiced. The Soil Conservation Service in cooperation with state experiment stations has gathered much evidence on this point. Reports from Iowa show that contour farming cuts soil losses in half

and raises corn yields as much as 7.4 bushels per acre. Reports from Illinois show that corn yields 7 bushels per acre more on contoured fields than on fields cultivated up and down the slope. Work in Illinois, Iowa, and Missouri showed between 11 and 12 per cent increase in soybean yields from contouring. Evidence from ten states shows that average wheat yields were increased 20 per cent by contouring.

Of course, the greatest value from conservation practices results when they are used in combination, as demonstrated by studies in Indiana. Here, adequate fertilization, liming, return of crop residues, and contouring in a four-year rotation of corn, soybeans, wheat, and grass-legume meadow resulted in 34 bushels more corn, 7 bushels more soybeans, 7 bushels more wheat, and an extra ton of hay, per acre. Without conservation farming, the soil lost 12.6 per cent of the rainfall during the growing season. Runoff under the conservation treatment amounts to only 5.1 per cent. Thus, the improved measures saved 7.5 per cent more rainfall during the growing season.

There is good opportunity, too, for materially increasing the potentialities of some soils to hold water and grow crops by deepening the zone of soil in which roots can grow. Most productive soils are characterized by deep friable surface layers. In this country we have lost much topsoil through erosion. Furthermore, the soils over a large area have naturally shallow surface layers.

We are exploring the possibilities of improving the structure and nutritional qualities of the subsoil as a means of expanding the rooting zone for plants. Remarkable increases in crop production have been produced in this way on some soil types. It is not unreasonable to expect that we could substantially deepen the root zone in many soils and

make available to crops increased quantities of both plant nutrients and water through the use of deep-rooted legumes in cropping systems, deep tillage, and the incorporation of lime and fertilizer in the deep soil layers.

We need to make much more extensive use of winter cover crops on intertilled land. Leaving the ground bare over the winter promotes loss by erosion. For the south in general, adequate cover crops are available. Still, more than 80 per cent of the cultivated land goes through the winter unprotected. For years we have taken for granted the bare fields with brown cotton stalks and broom sedge all the way from Virginia to east Texas. Now, with practices developed during the last twenty years, fields could be green with growing crops the year around. Here the agricultural plant can work on a twelve-month basis, contributing to both soil conservation and increased production.

SOIL PRODUCTIVITY CONDITIONS BY REGIONS

Again I want to emphasize that no single practice will accomplish the combined goal of increased production and soil conservation. The goal can be met only by balanced application of known soil and crop management techniques in accordance with specific soil characteristics and needs. The complexity of the problem is apparent when we examine the types of soil and how they deteriorate in various parts of the United States.

Far West

The prevention of saline and alkali soil conditions is one important factor in the conservation of soil productivity in western irrigation lands. Accumulation of salts in the soil is one of the most difficult problems. In many instances, salt-laden water is the only source available for irrigation.

Also, the structure of heavy soils is deteriorating under certain irrigation and cropping systems, making it difficult to get irrigation water into the soil. There is increasing evidence, too, that continued soil productivity will require the maintenance of considerably higher levels of nitrogen. The use of phosphorus fertilizers is also increasing under irrigation. But for many years to come, the maintenance of proper salt balance and the conservation of good soil physical properties must be the most important criteria of good land use in this area.

Great Plains

In the Great Plains, moisture rather than plant nutrients has been the primary factor limiting the productive capacity of the soils. Subsurface tillage, fallowing, and other cultural practices designed to leave crop residues on the soil surface are used to conserve both soil and water. Protection against soil blowing is a particularly important step in sound land use here.

Despite improvements in mulching and subsurface tillage, land use in this area has been primarily exploitive in nature. Although cropping has not yet generally depleted soil fertility reserves to limiting values, it is only a matter of time until it will. Continued cropping to wheat combined with fallowing and row-crop cultivation has already resulted in the loss of one-third or more of the organic matter and nitrogen originally present in these rich soils.

So far we have not been able to develop a system that will maintain soil organic matter and nitrogen in this area. We still do not have a legume crop adapted to the 200 million acres of dry land in the semihumid regions. Productivity cannot be maintained under our present system. From the standpoint of long-time food and feed supplies in this country, the problem of

maintaining the soils in the dry-land area is one of the most serious we face.

Northeast and North Central

In the northeastern and north central states soil deterioration is widely varied. In the northeast, where soils were naturally infertile, soil productivity is now on the upgrade on hundreds of thousands of farms. In the midwest, however, prevailing farm practices have led to a progressive decline in the organic matter and nitrogen content of the soil. In places this loss has amounted to as much as one-third to one-half of the original content. And the decline is still going on at rates estimated as high as 1 per cent per year in the middle corn belt.

This has the effect of impairing drainage, water infiltration, soil aeration, and ability of soil to yield up nutrients to crops. Crops seem to suffer more in dry weather. Many farmers have found it necessary to install additional tile lines on land that once drained satisfactorily. On sloping soils, erosion is taking a heavier toll, as compaction slows intake of water and increases runoff.

Here we know how to manage soils so as to maintain organic matter and nitrogen. The problem is to get these management practices into widespread use.

Southeast

In the southeastern states, conservation and rehabilitation of soil resources probably offer as great a challenge—and opportunity—as anywhere in the country. Soils here were already highly leached before they were put to agricultural production. High rainfall and temperatures continued to favor rapid organic matter decomposition and loss of soil minerals by leaching and erosion.

It has been estimated that in the Piedmont region, two-thirds of the land that has been cultivated has lost part or all of its topsoil, and in many cases some

of the subsoil. Erosion and gullying have been so severe that thousands of acres have been abandoned for crop production.

Most of these soils, however, are very responsive to fertilization and other good management practices. They can serve as excellent media for plant growth. Climatic conditions that have made these soils what they are also offer unusual opportunities for increasing levels of productivity.

RESOURCES ARE ADEQUATE

The soil, water, and fertilizer resources of the United States are ample to meet all foreseeable requirements of world leadership. In fact, they are more than ample—provided we use them intelligently.

Farmers are now using 405 million acres of land for the production of crops. Also, 70 million acres of pasture land are cropped occasionally in long-time rotations. An additional 642 million acres of open grassland and 350 million acres of woodland are used for livestock grazing. Over most of this area we can realize both increased production and soil conservation through the application of available knowledge.

In addition, there are big opportunities for expanding production by bringing idle or unproductive land into use. Along the East Coast and Gulf States there is a huge area of swampland that could be drained and put into production. With modern engineering devices, the water table could be lowered and controlled on much of this area. Some government and private projects are already underway. There is every reason to believe that these soils would be highly productive.

On hundreds of thousands of farms throughout the country there are corners or patches of idle wet land, often several acres in size, that could be drained and made productive. All they

need may be a short drainage ditch, a tile line, some weed or brush killer, fertilizer or manure, or a few hours with a bulldozer. The production capacity of many farms can be increased by putting such idle land to work.

There are thousands of farms in the humid states where water is available and where the necessary investment in irrigation might pay. The medium and large rivers and streams in eastern United States that flow continuously the year around number well over one hundred. There are millions of acres of well-drained land adjacent to these streams. Modern engineering would permit tapping these streams to apply water from them for supplemental irrigation without damming them up. The opportunities for using river water to supplement rainfall on the rich valley lands of eastern United States are enormous.

In the arid west, large areas could be freed or kept free from salts, irrigated from available water supplies, and brought into production. In the Columbia River Basin, for instance, irrigation farming with water from Grand Coulee Dam will get underway in 1952. During the next few years a million new acres are expected to be brought into production in this project alone. The Bureau of Reclamation estimates that there are 16,839,000 acres of irrigable new land in the western states.

Also, in the southeast, little if anything is being produced on millions of acres of poor grazing land, unproductive woodland, and low-yielding cropland. While effective use of this land is a problem of long standing, recent discoveries suggest tremendous opportunities for using much of it in the production of milk, beef, and other livestock products. Through the introduction and creation of new and better legumes and grasses and the development of improved fertilizer and soil manage-

ment practices for efficient forage production, much of this land could be used for efficient livestock production. In Florida, for example, thousands of acres of flatland originally growing pine and palmetto have been cleared, limed, fertilized, and seeded, and are now producing beef cattle profitably. Here alone, several million acres could be brought into production.

Obviously, there are sizable opportunities for expanding production through the development of idle or unproductive land. There can be no question. Our soil resources are adequate. The job is

to use them intelligently for sustained production with conservation. This involves two important areas of action: (1) continued and increased effort in crop and soil research to provide additional improved technology and to give greater precision to our recommendations; (2) continued and increased effort to co-ordinate and unify educational and service programs concerned with production and conservation to reduce lost motion and to speed adoption of balanced programs for efficient, abundant, and sustained production on individual farms.

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INTERNATIONAL RELATIONS AND WORLD GOVERNMENT

UTLEY, FREDA. *The China Story*. Pp. xiii, 274. Chicago: Henry Regnery Company, 1951. \$3.50.

The cover jacket advertises the book as "a meaningful and revealing" pattern; the truth about China aid, the Amerasia espionage case, the Tydings investigation of McCarthy's charges against the State Department, the omissions from the White Paper, Professor Owen Lattimore; and the "first attempt to tell the bald truth about what has been going on in our relations with China in the last decade."

The introduction (page ix) says: "fundamental errors concerning the nature and aims of Communism still weaken our will and prevent us from joining hands with the only ally in Asia ready to fight beside us: the Chinese Nationalist Government in Formosa. Page xiii says: "I have attempted to evaluate from such evidence as is now available the degree to which Communist influence as distinct from incompetence, ignorance, and ambition determined the disastrous course of America's Far Eastern policy."

In Miss Utley's opinion the record of blunders includes the "mistake" at Yalta, the efforts of General Marshall "to force Chiang Kai-shek into the lap of Moscow,"

and the sending of economic aid where we should have sent ammunition. She says that our aid was too little and too late, that we have exaggerated the amounts we sent, that we neglected to send supplies which were available in India and Germany; that the State Department was guilty of stalling deliveries on the 1948 aid bill, and that we grossly overcharged the Chinese. She says Chiang lost—not because of the reasons Secretary Acheson adduces—but because of lack of ammunition and too much interference for the benefit of Stalin and the Chinese Communists.

She insists that the Amerasia case was given inadequate treatment and that the Tydings investigation was misdirected. She lists as omissions from the White Paper Yu Ta-wei's statement to General Wedemeyer explaining China's desperate situation, Ambassador Bullitt's Report in *Life*, October 13, 1947, Senator Worth Clark's report of October 1948, and General Wedemeyer's testimony before the Senate Appropriations Committee on December 17, 1947. She charges that (page 37) neither Congress nor the American people has been permitted to know the truth. Yet it is to be assumed that she has been permitted to know the truth and that the sources available to her have been available to any other American.

She calls to attention puzzling contradictions in State Department policies: why

did we spend money to keep Communists out of Greece and withhold money from China unless Chiang took the Communists in; why did we change attitudes on Formosa; and why did we advocate getting out of Korea at one time and then stand up and fight at another?

Her conclusions are (page 233): "Until we understand that all Communists are animated by the same ideals, and the same drive for power and expansive urges, our strength and good will will be unavailing to avert disaster, and more and more Americans will die in more and more futile wars." It is time to re-examine our foreign policy.

Some statements, implications, and allegations also call for re-examination. It is questionable, to say the very least, whether (p. 239) "in order to get preferment under the Roosevelt and the first Truman administrations, it was necessary to play along with the admirers of the Soviet Union and the friends of the Chinese Communists." A State Department-Institute of Pacific Relations line in 1945 was not friendship for Russia first. Like everybody else in the country, those organizations were interested in the protection and promotion of our own national interests, and, in the common judgment at that time, our interests seemed best promoted by co-operation with the Soviet Union. Co-operation does not mean fondness.

It seemed like hitting below the belt to say that one foreign service officer argued on both sides at different times to gain an advantage for the Chinese Communists. Analysts often see two sides to a situation. They are aware of changing factors in a dynamic situation, and in the case in question the officer was duty-bound to call the shots as he saw them. He was not thinking of his personal career or well-being (look at the record) or of the advantage of the Chinese Communists, but he was thinking of victory in a bitter war.

Professor Lattimore's writings speak for themselves. In the interest of fairness it should be added that the "secret memorandum" which he submitted to the State Department was one of a series which many people submitted to the department on re-

quest. Note the date: August 1949. By that time, catastrophes had already happened in China and in Korea. In the very finest democratic tradition, three outstanding individuals, Messrs. Jessup, Fosdick, and Case, sought to determine for the State Department American opinion on what we should do to meet the new conditions. It might be added that any similarity between Lattimore's suggestions and State Department policies was more likely to be incidental than causal.

Since Miss Utley's book has been written, we have had the MacArthur investigations and the beginnings of the MacCarran Committee's investigations. Abundant evidence is at the disposal of any one who will read and study it. I prefer the point of view in approaching the record that the participants in the development of our foreign policy were not dupes or conspirators but loyal seekers after the national welfare—admitting of course that some may have been guilty of bad judgment or lack of foresight. Yet even these charges are made the more easily because of the knowledge which we now have of the United States-Union of Soviet Social Republics relations during the past few years. Who could have been expected to anticipate in 1945 the tensions of 1951? The time for re-examination of our foreign eastern policies is not only right now; it is every day as our policy makers face new and complicated situations which demand their ultimate in devotion to duty and clarity of judgment.

CLAUDE A. BUSS

University of Southern California

ELLIS, L. ETHAN. *A Short History of American Diplomacy*. Pp. x, 604. New York: Harper & Brothers, 1951. \$5.00.

Professor Ellis has succeeded admirably in his attempt to compress the story of American foreign policy within 550 pages. He has a fine eye for the essentials, and his judgments are extremely sound. But what distinguishes this book from others in the same field is that he has, to a greater degree than his predecessors, thought in terms of the development of broad prin-

ciples, and so arranged his chapters as to bring out these principles. The major criticism of much writing on American diplomacy in the past lies in the fact that it is too closely tied to chronology and too little connected with the evolution of ideas. By putting together the various episodes connected with the Monroe Doctrine, by tracing Anglo-American relations from 1815 to 1903 in two chapters, by bringing together his materials on the development of our policies in the Far East, he has given additional suggestiveness to what, in any case, would be a first-rate treatment of his general theme.

There is, however, something more to be done by the student who seeks to summarize our foreign policy. The needs for a greater emphasis on the constitutional mechanisms and the development of these mechanisms, for a more thorough analysis of the working of the American party system in connection with our diplomacy, for the growth of the idea of a bi-partisan foreign policy, and for the setting of foreign affairs in the mood and temper of the time—all these needs might well receive attention in any treatment, and will probably prove to be more and more significant as time goes on.

But to say this is not to detract from the merits of an excellent volume. In particular, the judgments on America's wars seem to be well-balanced and free from that kind of revisionism which stems from failure to place events in their contemporary setting. The chapter on developments since 1945 is as convenient a summary as I have anywhere seen.

The bibliographies attached to this book are meritorious.

DEXTER PERKINS

The University of Rochester

MARSH, DONALD BAILEY. *World Trade and Investment: The Economics of Interdependence*. Pp. xxii, 594. New York: Harcourt, Brace and Company, 1951. \$6.75.

In this volume Professor Marsh applies some of the more recent economic techniques and phraseology to the problem of international economic interdependence.

Many books have been written on this general topic. Professor Marsh gives us a fresh and untraditional approach. By its very novelty of treatment, the book will appeal far more to those schooled in recent economic thinking than to those whose economic training dates to an earlier period. To the general public the book—although written with an easy style—will for that reason appeal only to a limited extent.

The main emphasis of the book, as the title leads one to expect, is upon investment and finance. The treatment of the basic reasons of foreign investment and the factors that should receive consideration in judging the probable safety of such investments is adequate. But the problem of defaults, repudiations, and the various protective measures by private and public agencies is not even mentioned. The fact that the effects of investments upon the debtor and creditor nations are examined in detail makes this omission all the more regrettable.

The subtitle of the book leads one to expect more than the author apparently planned to include in his otherwise excellent study. "The economics of interdependence" does, in my opinion, justify the reader to expect to find among other subjects treatment of the problems of population, immigration, and emigration. Population problems are disposed of in one paragraph, and emigration, a problem foremost in the minds of the overpopulated countries, is entirely neglected.

The colonial problems are discussed in a little over one page. This is unfortunate since colonialization is a problem of major significance. The United States has recently announced that "Colonialism is dead"; and pressure is being brought on the countries of Western Europe to withdraw from colonial possessions, many which have for as long as 300 years been a part of the economic structures of the countries.

If one forgets the subtitle and reads the book anticipating an analysis and evaluation of the principal financial aspects of the interdependence of nations, one will find the book extremely well constructed. Anyone wishing to obtain a clearer understanding of the wherefore and the how of

present-day international financial co-operation will not find the volume disappointing.

The division of the book into theoretical and practical sections will increase its usefulness to classes in our universities where the study of international finance is built upon an elementary course in economics.

J. ANTON DEHAAS

Claremont Men's College

NUMELIN, RAGNAR. *The Beginnings of Diplomacy: A Sociological Study of Intertribal and International Relations*. Pp. 372. New York: The Philosophical Library, 1950. \$12.00.

The subtitle describes the purpose and scope of this comprehensive work which is to show the technique of settling differences used by the preliterate peoples and that the beginnings of diplomacy are to be sought in their methods. Dr. Numelin expressly states that there still exists no certainty of method in comparative ethnology, and that while the comparative method is important "we must compare really comparable things and not mix up traits which only resemble each other." He describes his study as "not a field work, but a sociological essay based on ethnological field researches," and attempts to overcome the weaknesses of the older anthropological approach, as used by Sir James G. Frazer and others, by giving fewer examples but in a deeper cultural context. The author's industry is truly impressive; in fact his volume is distinguished by detailed references to hundreds of societies, ancient and modern, and he has consulted an extraordinary amount of literature on the subject. The bibliography runs to almost fifty pages and includes many references to European authorities which will be of special value to American readers.

After a general description of preliterate societies, Dr. Numelin examines the forms and procedures of primitive diplomacy—the careful choice of their messengers, heralds, and envoys, the immunities and other privileges given to them, the carefully elaborated formalities which mark the declarations of war and the conclusion of peace, the right of asylum and its an-

tithesis, exclusion from the tribe. Two chapters deal with intertribal trade, its function in promoting contact between tribes and peoples, the observed "market peace," and the sacredness of routes leading to the market.

The author then traces the development of diplomacy among "historical" peoples—Babylon, Egypt, Assyria, Greece, Arabia, India, Rome, Byzantium, and the European countries. His study shows not only that the roots of diplomacy are to be found in the Orient and the Levant and among widely scattered tribal peoples in Africa and the Pacific, but also that in very many instances, indeed the majority, their peaceful relations were more important than their warlike undertakings, and the peace envoys were more highly honored.

Without question modern scholarship is coming to a deeper appreciation of preliterate societies and is beginning to acknowledge that in the art of human relations they had and in many cases have much that the Western World has lost. Slowly this knowledge is modifying the conception of what is involved in administering so-called dependent peoples. We have much to learn from them as well as to teach them. If we are wise, we will see that the relationship is a two-way affair, that all societies today have in varying degrees to make a common search for methods and values in a life which has one unchanging element—change.

L. A. MANDER

University of Washington

McKAY, DONALD C. *The United States and France*. A volume in "The American Foreign Policy Library," edited by Sumner Welles and Donald C. McKay. Pp. xvii, 334. Cambridge, Mass.: Harvard University Press, 1951. \$4.00.

Professor McKay has contributed a well-informed and well-balanced survey of modern France, considered from the viewpoint of American interests in world politics, and written, like the other volumes in The American Foreign Policy Library, for the general reader. The author has touched upon all the major aspects of the problem of France in world affairs and has made

good use of the recent studies of other scholars in the field. He makes evident his personal familiarity with the French people as well as with French history and institutions, an acquaintance which is generally sympathetic yet reasonably detached, and he writes in a good-humored, conversational manner.

France appears in this survey as a nation that has been generally well-endowed by nature and has made, over the course of centuries, an unsurpassed and almost unmatched contribution to western civilization, a land that has the stability and conservatism of a long history and yet remains astonishingly resilient. It suffers, however, the disadvantages of unfavorable demographic factors, a relative backwardness in economic development when compared with the countries that hold the vanguard, and problems in political life, associated with the instability of the cabinet and the weakness of the centrist political parties; these remain serious handicaps despite the countervailing factors of political stability. The French overseas dominion appears as a doubtful source of strength despite its impressive size and population.

In reviewing the history of Franco-American diplomatic relations, Professor McKay points to a record that in the past two centuries has shown as much divergence as coincidence of interest between the two countries. Certainly both have been evident since 1940. The author generally endorses the American recognition of the Vichy regime, although he would have preferred a simultaneous acceptance of the DeGaulle movement to the belated and begrudging recognition late in the war. He perhaps underestimates the Vichy regime; so it seems to this reviewer, both in respect to its hold upon France during the war and its continuing influence.

Since the end of the war France has made substantial progress, the author holds, in shifting from a foreign policy directed against the threat of German power to one directed against the Soviet menace, and thus France has begun to accommodate herself to the American program of worldwide Soviet containment. For that pro-

gram France can offer us the assistance, Professor McKay concludes, of its geographical position as a beachhead, some elements of economic strength, and a military tradition, which might perhaps be developed into a factor of military power.

The author makes clear that he expects criticism from some quarters for being uncharitable towards France, and from other quarters for being Francophile. This reviewer is among those who would argue that Professor McKay has perhaps erred on the side of sympathetic indulgence, somewhat underemphasizing the widespread French tendencies towards smugness combined with self-pity, the manifestations of what the French call *incivisme*, and the factors making for social and economic stagnation, especially in the provinces. Yet the reviewer would not deny that Professor McKay has at least mentioned such matters. Nor could a critic who accuses the author of harshness deny the manifest good will of the author towards the French people. On the whole, Professor McKay has probably come as close to judicious balance as a fallible mortal is apt to approach in appraising such a complex problem as modern France.

PAUL FARMER

University of Wisconsin

BEAULAC, WILLARD L. *Career Ambassador*. Pp. 262. New York: The Macmillan Company, 1951. \$3.50.

One of the conspicuous features of the field in which American diplomacy operates these days is its complexity. It is not the old sort of leisurely acreage it used to be. There was a time when we could, so to speak, rotate crops. Now we have the whole field producing at once. At one and the same time every continent presents problems of the first order—not routine problems for leisurely negotiation and settlement, but problems of urgency, problems often of life and death.

Hence, we do not often come by such a book as this. Diplomats are too busy to write as they run. Hence, when a diplomatist of the present age not only writes a book but a very good one, it is well worth noticing.

What Ambassador Beaulac desired to accomplish, and has accomplished in vivid style, was a review of his foreign service from the time he set out for Tampico as a newly inducted vice-consul to his rise to the rank of ambassador. His objective was not to record personal history primarily but to make his personal history a vehicle for the portrayal of a career in the American foreign service.

Mr. Beaulac's recital well describes the varied duties which members of our foreign service perform and some of the conditions under which they are called upon to discharge these. It shows abundantly what has been mentioned above—that foreign service is not the leisurely, frosting-on-the-cake kind of thing it was at one time, but is an occupation of both drive and tact, often filled with hard knocks and dangerous situations, calling not only for nimble wits, common sense, and an increasing amount of erudition, but also, at times, muscular power and agility.

It reveals, therefore, the qualities which elevate an officer from the lowest ranks to the highest. Intelligence, sincerity, conscientiousness, tact—there must be these. Patience, willingness to serve anywhere at any time, alertness, and a sense of humor—these also are needed. But democratic sociability there must be as well. In his essay on Shakespeare, Walter Bagehot referred to that "patient sympathy, that kindly fellow feeling" which is the necessary constituent of any "manifold genius." One might add that in this age of democracy it is also a "necessary constituent" of the accomplished diplomat. He must know how to meet and converse with barbers as well as brokers, fishermen as well as functionaries, labor leaders as well as landowners, bakers as well as businessmen—all those varied people who make up a society—and hence, he must travel extensively and understandingly through the area to which he is assigned.

This is not a small order. But Ambassador Beaulac, in excellent style, has shown that it can be done—and how it is done. In and out of the foreign service, we should be grateful to him for so illuminating and entertaining a record of a democratic diplo-

mat in action. From it will emerge a better understanding of the foreign service, of American foreign policy and some of the factors which shape that policy.

R. SMITH SIMPSON

American Embassy
Mexico City

MANGONE, GERARD J. *The Idea and Practice of World Government*. Pp. xiii, 278. New York: Columbia University Press, 1951. \$3.75.

The disillusionment and despair which war brings to victor and vanquished alike is apt to impel well-intentioned and otherwise critically thinking persons to embrace simple and appealing solutions to the complex and complicated problems of war and peace. Following World War I thousands of young men proclaimed all war a folly and pledged themselves not to fight at all while others hotly debated the conditions under which they would or would not bear arms. War was to be abolished by the individual's refusal to fight it. Such thinking must be accorded its appropriate blame for World War II through the encouragement it gave the Nazis and the Japanese War Lords in formulating their opinion that the Western democracies were soft and that the calculated risk of blitz war was well worth the gamble.

World War II produced no marked pacifism of this sort but did bring forward more support for "one world" and "world government now" than heretofore. While devastating war has often prompted men to dream and plan for a better ordered world, the post-World War II era has been conspicuous because of the comparatively large number of presumably informed and thinking persons who subscribe to immediate world federation, world government, or regional or ideological union plans. The prospect of atomic warfare has apparently been sufficiently frightening to stampede otherwise more prudent persons into embracement of world government schemes.

Mr. Mangone's book is especially recommended to these persons and to all interested in world, regional, or ideological union, for he critically examines such plans and ideas and shows their possible implica-

tions for peoples devoted to the democratic way of life. Dr. Mangone first considers the premises of world government and the suggested forms which have been put forward. He comments as well upon actual, albeit transitory, accomplishments in the direction of universal government from before the *Pax Romana* to the *Pax Britannica* and the present era of the United Nations. He weighs the ideas of progress, of nationalism, of democracy, and of individualism and their chance of survival in world state or federation. He raises the question of justice, and of how, with such a plenitude of power as a world government would enjoy, the necessary harmonizing of interests which alone could guarantee justice could be achieved.

Mangone is skeptical of the contribution classic international law can make to world government, and he doubts whether constitutional and democratic world government can be achieved other than by a combination of the democracies with a willingness to use force not only to protect their own liberties but to advance the cause of democracy everywhere in the world.

WILLIAM J. RONAN

New York University

WHITE, LYMAN CROMWELL, assisted by MARIE RAGONETTI ZOCCA. *International Non-governmental Organizations*. Pp. xi, 325. New Brunswick: Rutgers University Press, 1951. \$5.00.

This book is a well-organized, scholarly presentation of the development, purposes, methods, and accomplishments of international nongovernmental organizations, written by a member of the United Nations Secretariat who has devoted the past twenty years to a study of these agencies. Although they have been functioning since the middle of the nineteenth century and have played an important role in the promotion of international collaboration and the establishment of international intergovernmental organizations, this work is the first comprehensive treatment of the subject, and the only treatment of the general field since the author published his *Structure of Private International Organizations* in 1933.

Although the term "international nongovernmental organization" has been defined by the United Nations Economic and Social Council to mean any international organization which is not established by an agreement among governments, this study has been "primarily devoted to international organizations composed of private citizens or private bodies, with less attention to those organizations which . . . are official in character." It covers the period from 1850 to 1939.

The book is divided into three major parts. Part I deals with the role of international nongovernmental organizations, of which there are now more than a thousand, in world affairs. It is Mr. White's contention that these agencies, known prior to World War II as "private international organizations," have made an immense contribution to the promotion of common interests through international action, as agents of international understanding, as molders of public opinion, and as pressure groups both on a national and international level.

Part II analyzes the specific organizations, classifying each according to its major field of interest under twelve main headings: business and finance; communications, transport, and travel; labor; agriculture; arts and sciences; press; education; religion; social welfare; sports; international law and the legal settlement of disputes; and the pursuit of peace.

Part III deals with the relations between nongovernmental organizations and intergovernmental organizations, including the League of Nations and the United Nations. It is in this part that Mr. White presents specific examples of the manner in which nongovernmental agencies have resulted in the establishment of intergovernmental bodies, either by acting as precursor or by supplying the initiative for official action leading ultimately to the creation of an intergovernmental body. The International Bureau of Education, the Institute of Refrigeration, the International Sugar Office, and the International Tin Committee are cited as examples of intergovernmental agencies which have evolved from nongovernmental bodies. The International Un-

ion for the Protection of Literary and Artistic Works, the International Union for the Protection of Industrial Property, the International Relief Union, and the International Institute of Agriculture (now merged with the Food and Agriculture Organization of the United Nations) are given as examples of intergovernmental agencies which were established as a result of the demands of private groups.

In a brief conclusion, the author sets forth his views concerning the study of international nongovernmental agencies in schools and universities; their importance to peace workers who can utilize them, along with intergovernmental bodies, to promote the common interests of mankind; and their future influence which he has confidence will be increasingly effective in the building of the peace and a better world. A list of the ninety-eight organizations which have been granted consultative status by the United Nations Economic and Social Council is contained in an appendix.

Although this work is refreshing in its idealism and demonstrates throughout Mr. White's deep sincerity and convictions concerning the role and importance of international nongovernmental organizations, this reviewer must dissent from several major contentions.

First, it appears that there has been an overemphasis on the role of these organizations in achieving world peace. Although it is true, of course, that every effort which results in greater collaboration among nations is, in a sense, a step toward peace, these agencies have achieved their most notable success in exerting pressure on national governments to take action leading to the creation of intergovernmental agencies in technical, scientific, social, cultural, and economic fields. To the extent that they have contributed to the creation of a climate in which peace might grow, they have contributed to peace itself. However, it is yet to be demonstrated that the activities of these organizations, either as molders of public opinion, agents of international understanding, or pressure groups on a national or international level, have been effective in the political and security fields.

We can only hope with the author that these agencies "will be more and more effective in their contribution to the building of the peace." In this connection, we should note also that a great many of these agencies were established to promote commercial and labor interests, entirely unrelated to peace.

Second, Mr. White laments that "the study of their [non-governmental organizations] functions has been almost completely ignored in textbooks, in university courses, and in the training of those who represent governments in international negotiations." An examination of the leading textbooks on international relations and international organization reveals that the majority devote some attention to international nongovernmental organizations and their role in international collaboration. Thus, chapters or sections dealing with these agencies are found in Potter, Eagleton, Mower, Reinsch, Hodges, and Woolf, and Mander mentions their role throughout his work. Curiously enough, Mr. White cites some of these works in a brief bibliography at the end of his book. In addition, Phillips Bradley and the late Joseph P. Chamberlain both paid considerable attention to these agencies in monographs on international organization, appearing in issues of *International Conciliation*.

Concerning their inclusion in university courses in international relations, the reviewer can say only that in his own course, and in others with which he is familiar, these agencies are discussed, and considerable emphasis is placed upon their role in world affairs. With respect to the need for training governmental representatives who have international organization responsibilities, it may be noted that the United States Mission to the United Nations has a trained staff which devotes considerable time to the maintenance of close collaboration with representatives of nongovernmental organizations in an effort to keep them fully apprised of this government's position on major issues relating to the United Nations system.

Finally, Mr. White asserts that "just as the study of political science expanded to include, in addition to the structure, pow-

ers, and functions of government, the role of political parties and pressure groups in national life, so the study of international relations today must be expanded to include the activities of the non-governmental organizations." The analogy is interesting, but hardly tenable at this stage. Political parties and pressure groups have demonstrated again and again their vitality and power in achieving their objectives and even in making or breaking governments. These, however, are composed of voters who are able to exercise very direct pressure on governments and government officials.

As already indicated, international non-governmental organizations have demonstrated their effectiveness in obtaining action from governments in certain limited areas. However, the existing machinery for international collaboration is composed of representatives of governments and not of elected officials, subject to the will of a world electorate. Nongovernmental agencies can do no more than present their views to these bodies and attempt to exert pressure on the governments there represented. Thus, the exercise of direct control over policy or action through the ballot box must await a true international government which, at this point, seems a long way off.

Mr. White has produced a stimulating and interesting book containing much valuable information and analysis. He has amply and effectively demonstrated the role and importance of international non-governmental organizations in world affairs. There was no need for him to overstate his case. In time, these agencies may achieve the role which he feels is their destiny. However, that time has not yet arrived.

ELI E. NOBLEMAN

Washington, D. C.

UNITED NATIONS, DEPARTMENT OF SOCIAL AFFAIRS. *Freedom of Information: A Compilation*. Vol. II: "Texts Communicated by Governments." Pp. ix, 216. Lake Success, N. Y. (distributed by Columbia University Press, New York City), 1950. \$3.50.

The usefulness of a volume which makes readily available in one language the basic

press laws and regulations (together with those pertaining to other media of communication) of some thirty governments is obvious. The present compilation, sponsored by the Department of Social Affairs of the United Nations, consists of relevant sections of constitutions, supplementary legislation, pertinent judicial decisions, and codes of honor adopted by professional journalist and broadcasting organizations. The selections are those submitted by the participating governments. The first volume of the series, which appeared earlier (see review in *ANNALS*, Jan. 1951, p. 212), offered detailed information on the degree of freedom of information in the various countries by presenting their answers to a series of carefully selected questions.

Although the value of a collection of official documents of the sort printed in Volume II is beyond question since a great deal of the information is of a type that is not easy to obtain the limitations of the work should also be noted. Only thirty-three governments elected to submit data despite the fact that all members and non-members of the United Nations were invited to do so. Since the official character of the project necessarily restricted the published data to whatever the participating governments chose to submit, the effect is one of unevenness. For example, fifteen of the eighteen pages devoted to significant judicial decisions are given over to Switzerland, Turkey, and the Philippines—three pages to the first-named country and six each to the other two; the United States is not represented in this section.

The "unwritten" constitution of the United Kingdom is presumably responsible for the inadequate treatment of the legal status of press freedom in the British Isles; the charters of the British Broadcasting Corporation and of the Institute of Journalists are given, however, as are the "Rules" of the National Union of Journalists. Finally, although the fact may seem too obvious to require emphasis, constitutional guarantees, laws, official statements, and codes of honor do not in themselves give assurance of genuine freedom of information: the constitutions of Argentina and Czechoslovakia promise such freedom in language as noble and as firm as

that to be found in any other constitution.

JOSEPH J. MATHEWS

Emory University

*AMERICAN GOVERNMENT,
HISTORY, LAW, AND
POLITICAL THEORY*

PIMLOTT, J. A. R. *Public Relations and American Democracy*. Pp. xi, 265. Princeton: Princeton University Press, 1951. \$4.00.

Here is a good, brief, balanced interpretation, by an English social historian, of American public relations—"so widely practiced, so lucrative, so pretentious, so respectable and disreputable, so widely suspected and so extravagantly extolled."

The first section presents a brief history of public relations and casts an extremely skeptical eye on the fulsome claims of public relations practitioners that they are members of a "profession." There is an interesting discussion of the lack of bibliographical material available. The author has often been forced, *faute de mieux*, to rely on house organ material or speeches and brochures of eminent practitioners; but he has always used such material with caution and discrimination—sometimes to point a moral not intended by the original writer.

Of particular interest is a series of public relations "vignettes" with commentary, ranging from a "quiet grass-roots build-up for Pancake Day" (Quaker Oats) to a commendable campaign to elect Thomas Paine to the Hall of Fame. Finally, in a discussion of the "philosophy" of public relations, Mr. Pimlott knocks down the pretentious structures of a few of the deep-thinker set of public relations practitioners.

The larger portion of the book covers public relations in government. Particularly well treated is federal public information as a sector of the traditional battleground between legislative and executive. The author notes that government information specialists, predominantly former newspapermen, overlook the two-way-street aspect of public relations and fail to utilize or develop adequate opinion research tech-

niques, and that in turn they are usually overlooked when it comes to policy documents.

The final section deals with the impact of public relations techniques on American democracy. Mr. Pimlott points out that the occupation itself enjoys rather bad public relations and wonders whether any occupation which is primarily one of manipulating people, secretly or overtly, can expect to enjoy the esteem of its manipulatees. But basically, he appears to believe, the trouble with public relations is not so much amorality, both of client and technique, as it is "the uncritical attitude of most of its practitioners"—their smugness, their pretentious pseudoscientific posing, and their boneheaded inability or unwillingness to utilize bona fide social science research.

In a final chapter, the author points out what public relations has done and what it can do, particularly in strengthening those lines of communications between people and government which troubled Jefferson so much. He seems to feel that in the federal government at least there is an *esprit de corps* among information specialists, and that the "standards of federal public relations are relatively high in such respects as the absence of distortion and temperance in the use of emotional approach."

The book is the third of the valuable "Studies in Public Opinion" sponsored by the *Public Opinion Quarterly* and editorially directed by Gordon W. Allport, Hadley Cantril, and W. Phillips Davison.

HUGH J. PARRY

Attitude Research Branch
Information and Education Division
European Command

TRUMAN, DAVID B. *The Governmental Process: Political Interests and Public Opinion*. Pp. xvi, 544, xv. New York: Alfred A. Knopf, 1951. \$5.00 text edition.

The analysis of political phenomena in terms of the behavior of interest groups can be especially rewarding, and such an analysis is used with considerable skill by David Truman in his recent volume, *The Governmental Process: Political Interests*

and *Public Opinion*. Mr. Truman pays homage to the earlier work of Arthur F. Bentley's *The Process of Government*, which deals with the same general theme, and indeed Truman's plans for his study grew out of his experience in teaching from Bentley's work. Truman has made use of the considerable research in political groups which has been accomplished since 1908, when Bentley's work was published, and in addition he has advanced the development of a competent political theory of group behavior. In all, he has approached his work with considerable learning and reflective insight.

For this review, the Truman work may be divided into two parts: the theoretical framework for analyzing group behavior, and the application of group influence in the political process. In the latter there are chapters on the role played by groups at the various stages of the process: public opinion, parties, legislative, executive, and judicial, and here Mr. Truman is illustrative and recapitulatory, and he relies considerably on the findings of others. The theory sections are highly rewarding, and in them Mr. Truman is provocative, informative, illuminating, and frequently convincing. Mr. Truman finds that groups are naturally-developed organizations for ordering people's lives, that they exist in all societies whether primitive or complex, and that they perform a multitude of useful and necessary functions. His theories are bolstered and his concepts are sharpened by references to comparative political structures and to the insight of investigators in other fields. All of Mr. Truman's theoretical offerings deserve to be carefully considered and will, on the whole, be found useful.

It is regretted that Mr. Truman did not go somewhat further in his theoretical analysis, for he seems always to be tottering on the brink of developing a conceptual framework for analyzing the total political process, as manifested in various political systems, but he never quite takes the final plunge. He is more convincing in analyzing interest groups per se than in analyzing the shared interests in the great society and the relation thereto of smaller interest groups, and his concepts here are less

precise and his vocabulary occasionally polemic. Nor does he advance his theory to the point where it can be used in analyzing the relations between societies.

These mild strictures indicate merely that more is yet to be done. Indeed, Mr. Truman has handled ably a complicated subject, and his analysis of the political behavior of groups deserves the close attention of all political scientists. In all of this, Mr. Truman has emphasized the need for a good theory if one is to work with the mass of material related to group behavior, and he has shown, too, that we can learn much from other scholars and other political systems.

ROLAND YOUNG

Evanston, Illinois

TEAD, ORDWAY. *The Art of Administration*. Pp. xvi, 223. New York: McGraw-Hill Book Company, 1951. \$3.75.

Mr. Tead is dedicated to the proposition that people in organizations should be treated with respect and understanding so that individuals may attain fulfillment of self. Administration, whether it be in government, business, or elsewhere, should be the art of securing individual participation, hence self-fulfillment, in organizations working in a democratic society. The consequence of such administration will be more competence for the group as a whole.

"Democratic administration," he writes, "is that direction and oversight of an organization which assures that aims are shared in the making, that working policies and methods are agreed to by those involved, that all who participate feel both free and eager to contribute their best creative effort, that stimulating personal leadership is assured, and that in consequence the total outcome maximizes the aims of the organization while also contributing to the growing selfhood of all involved in terms of clearly realized benefits. It means also that there is a periodic, orderly, shared review of control and of operating methods to assure that aims and methods, that leadership in action, and that the necessary preparations of good training are all continuing as agreed and as agreeable."

The book presents and defends proposals for giving all employees a share in the aims of an organization, for relating administration to democracy, for the exercise of power and the use of authority in the sense of expertness, for the role of leadership, for the special role of personnel offices, for the provision of security and co-ordination, for internal communication in small groups, and for training executives for democratic administration, including a respect for the public interest as paramount.

The author works with sound assumptions of the need for human dignity in the relationship between individuals and organization. Executives who have not learned his lessons would become better executives from reading this book. And society needs better executives.

At the same time one wishes that Mr. Tead had shown more recognition of the temporal but persistent manifestations of original sin or, in his chosen context, more recognition of the dark and bothersome traits of personality encountered daily by psychiatrists, parents, and executives even when they try to be considerate.

JAMES L. McCAMY

University of Wisconsin

GODINE, MORTON ROBERT. *The Labor Problem in the Public Service: A Study in Political Pluralism*. Pp. xii, 305. Cambridge, Mass.: Harvard University Press, 1951. \$5.00.

The growth of public employment has been one of the outstanding social phenomena of our times. In this country one tenth of the labor force earns its living in some branch of the public service. Even more significant than this figure is the rate of its growth. Two generations ago, when the merit system was adopted, the federal government employed 130,000 persons. Today the municipal services of the City of New York employ over 200,000, while in less than two decades since Franklin D. Roosevelt's inauguration the number of federal employees has grown from a half million to two and a half million. The labor problem of this great and growing section of the population, employing more men and women than the coal mines, the steel mills, the automobile plants, and the rail-

roads combined, is obviously a matter of major importance.

While the problems of wages, hours, and working conditions of these employees differ little from those of employees in private industry, their employer's attitude toward them and their relationship to that employer differ widely from similar attitudes and relationships in the private sector. The difference lies in the fact that in the public service the employer is the state, which insists that its role as sovereign gives it rights and prerogatives to which no other employer in a democratic society may lay claim. These rights and prerogatives of the sovereign employer in practice add up to limitations on the freedom of action of government employees freedom of action which the state itself guarantees to employees in private industry.

In a clear and easy manner Mr. Godine discusses the rise, status, structure, and objectives of public employee organizations which were formed for the same reasons for which unions were formed in private industry. He indicates that the opposition which the rising labor movement faced from public employing authorities has been little different from the opposition encountered in private industry. In recent years, however, the state has guaranteed the right of private employees to organize in unions of their choosing and to bargain collectively with their employers. But, while public employees, like other workers, wish to exercise as direct an influence as possible in the determination of their working conditions, public authorities have only recently begun to admit the existence of an area of broad administrative discretion in the fixing of working conditions. The breadth of this area differs from service to service, and it is possible and desirable even without disturbing the legal frame of the public employment relationship, including the doctrine of the ultimate authority of the state-employer, to welcome the determination of working conditions by negotiation and mutual agreement.

The subtitle of this book is "A Study in Political Pluralism." Collective negotiation, of which the author approves, is a manifestation of pluralism in practical administrative terms. Regarding the right of pub-

lic employees to strike, the author takes the conventional and traditional position—that the very nature of the state is such that the right of any of its employees to strike, regardless of the nature of their activities, is impermissible.

This study was apparently completed in 1948. It is a pity that its publication has been held up so long without the author having the opportunity to include an examination of the literature which has come out since 1948 or an evaluation of events such as the passage of state anti-strike laws applying to public employees. The inclusion of such material would have added to the interest and significance of this work.

STERLING D. SPERO

New York University

UNITED STATES, THE PRESIDENT'S WATER RESOURCES POLICY COMMISSION. *A Water Policy for the American People*. Vol. I: "General Report"; Vol. II: "Ten Rivers in America's Future"; Vol. III: "Water Resources Law." Pp. x, 445; xix, 801; xviii, 777. Washington, 1950. No price.

As a citizen of this country each of us is still free to try for a quick profit and ruin temporarily or permanently a part of the United States by cutting down wastefully a forest that should never be cut down; by plowing land that should never be plowed, by growing row crops where they should never be grown, and by putting the rows up and down hills where rains will almost shovel the soil down hill to the ruin of the hill and of the valley. This needless waste of water and soil, this aggravation of floods, this destruction of the United States, goes on today on millions of farms. It is made worse in the Missouri Basin, for example, by a triangular civil war between the private power interests who want dams for power, the Reclamation Service which wants dams upstream for irrigation, and the Army Engineers who are very keen to build dams and levees downstream, where they erroneously think they can control floods. This chaos adds needless increase to the destructive effects of natural laws.

The base fact is that a river and its valley are a unit, and repeated catastrophe is

spreading the belief that a river valley must be treated as a unit.

That is the theme of President Truman's Water Resources Policy Commission Report. The Commission was given ten months and twenty-eight days (January 3–December 1, 1950) to get itself together and produce a report.

It was instructed by the President "to study and make recommendations with respect to Federal Responsibility for the participation in the development, utilization, and conservation of water resources, including related land uses and other public purposes to the extent that they are directly concerned with water resources" and to give especial consideration to:

- a. Present government participation in "Major water-resources programs."
- b. "An appraisal of the priority of water resource programs from the standpoint of economic and social need."
- c. "Criteria and standards for evaluating the feasibility of water-resource projects, and"
- d. "Desirable legislation"

Now a river basin must be used for forestry, agriculture in many phases, homesites, townsites, industry, transport, and recreation. The water must serve domestic use, power, navigation, recreation, and irrigation (in the West at least).

Which of these uses comes first? How decide?

That is discussed along with floods, power, reclamation, water supply, waterways, watershed management, and other problems in Volume I, *The General Report*.

Volume II, *Ten Rivers in America's Future*, takes the theme "River basins, a key to water resources development," and presents the Columbia, Central Valley of California, Missouri, Rio Grande, Colorado, Connecticut, Alabama-Coosa, Potomac, Ohio, and Tennessee, which last it presents as the achieved example. These are excellent studies in applied geography.

The standard plan for a basin was to study in this order: (1) region and regional problems; (2) the river and tributaries; (3) water development needs, programs, costs, benefits; (4) policy problems and their relation to plans for develop-

ment; and (5) elements of a plan for ultimate development of water resources.

Volume 3, *Water Resources Law*, will be a very handy book for those who need it. It was prepared by nine legal specialists in government employ and two special attorneys.

This Commission was fortunate in having as chairman Morris L. Cooke, one of the much too rare competent men, who has the people's point of view and whose tongue is not tied by the "interests" he has served. Since one of man's major jobs is to adjust his activities to the geographic environment, it is therefore refreshing to see a competent geographer, Gilbert White, as a member of the Commission and another one, Edward Ackerman, in charge of the very valuable volume II.

Of course the real need is that this report should be regarded as a beginning, not as an end.

J. RUSSELL SMITH

Swarthmore College

WOODWARD, C. VANN. *Reunion and Reaction: The Compromise of 1877 and the End of Reconstruction*. Pp. xiii, 263. Boston: Little, Brown & Company, 1951. \$4.00.

The critical acclaim which has greeted this work is more than deserved. Into an era already exhaustively explored and explained, Dr. Woodward has delved unafraid—and with amazing results. Not only has he tracked down masses of hitherto unknown yet important material, but from it he has articulated a fresh, vital thing, full-bodied, incisive, revealing. At long last we know all the unsavory details of an episode which—even in the incomplete form that we knew in the past—already smelled to high heaven.

The presidential election of 1876 took place in an atmosphere of unbearable tension so far as the South was concerned. The stubbornness of the slave states in resisting the consequences of defeat had unfortunately been matched by a like stubbornness among the victors in denying to the beaten foe that minimum of efficient government and economic opportunity which could have made their lot bearable.

The apparent victory of Tilden naturally gave the Southern leaders great comfort and a tremendous bargaining power when the Republicans intrigued to upset this. Until now historians have accepted this conspiracy and this opportunity as sufficient explanation for what followed.

It is Dr. Woodward's unique accomplishment that he has not been so easily satisfied. As a consequence he has uncovered for the first time the plot beneath the plot, the manner in which the robber barons of this most corrupt period promptly found a way to fish in these troubled waters—as such invariably do—in the hope of huge personal profit. Perhaps we should have suspected all along that there was something missing, that the radical chieftains were too loyal a group to desert the poor Negro for reasons merely political. At any rate, Dr. Woodward has now for all time bared the dunghill in all its festering glory.

I must disagree with him, however, in his analysis of the electoral vote and consequently with the conclusions he draws from it.

Seeking to explain the willingness of Southern aristocrats to take part in such a shady business, he states that a "source of bad feeling was the resentment of the politicians against alleged indifference, neglect or discrimination by Northern Democratic leaders. Though Southern Democrats furnished the great bulk of the party's voting strength and of Tilden's electoral vote, they complained that they were not aided in their campaign . . . and that their support was taken for granted while their wishes and interests were not consulted."

Do the facts sustain such a theory?

According to the official count, of the 184 votes allotted to Tilden, only 76 of them came from former states of the Confederacy. Even if we were to transfer those corruptly cast for Hayes in Florida, Louisiana, and South Carolina, the total would be 95, contrasted with 108 garnered by Tilden in Northern and Border States. It is only by including the Border States—although they remained loyal to the Union and without undue complaint accepted uncompensated emancipation—that Dr. Woodward's view acquires any validity. Can so

significant a conclusion fairly be built on such an insecure base?

ALPHONSE B. MILLER

Philadelphia, Pennsylvania

MEAD, DAVID. *Yankee Eloquence in the Middle West: The Ohio Lyceum, 1850-1870*. Pp. viii, 273. East Lansing: The Michigan State College Press, 1951. \$4.50.

The vogue of oratory and public speech as a characteristic expression of American culture in the nineteenth century has been the subject of many recent investigations. Gradually the whole story, from the flashy performances of political and patriotic orators to the quiet dissemination of ideals through nonpulpit sermonizing, has been assuming shape. This highly limited and specialized study of one phase of the movement has its place in this story.

Mr. Mead takes a single state of the Middle Western group—Ohio—as his field. It is perhaps representative of the other states for the purposes of this study, but it has the additional interest of being the first state west of the Alleghenies to receive, imitate, and reject the influence of Eastern seaboard culture. The period 1850-1870 further limits the study to that part of the process centering on the Civil War period, even though the lecture movement was well established before 1850 and did not cease at 1870. Mr. Mead's evidence is also largely restricted. He depends almost wholly on the reports of lectures as printed in the contemporaneous local newspapers. He does not investigate the lectures themselves in the relatively few instances in which actual manuscripts have survived, nor does he attempt many other means of measuring and evaluating either the lectures or their public reception.

Within these limitations, all of them arbitrary and all of them consistently imposed, Mr. Mead has done a thorough job. For the cultural historian, the most interesting part of his book is Appendix A—"A History of Ohio's Lecture System," a sixty-page essay in which the story is told chronologically, the phases of cultural evolution clearly marked, and the larger implications of the process distinguished. The main body of the book is a series of char-

acter sketches of the more important of the lecturers, interesting each in its way, but lacking in social or cultural significance apart from the lecturing experience taken as a whole.

ROBERT E. SPILLER

University of Pennsylvania

STONE, JULIUS. *The Providence and Function of Law: Law as Logic, Justice, and Social Control—A Study in Jurisprudence*. Pp. lxi, 918. Cambridge, Mass.: Harvard University Press, 1950. \$10.00.

This book has been reviewed widely and favorably in many journals, and it is without doubt an important work, especially for specialists in jurisprudence and political theory. The author's style is excellent, and he has brought a high order of competence and almost unbelievable industry, extending over a period of fourteen years, to the production of this treatise. Yet it is no adverse criticism of Stone to conclude that, despite its strong points, he might have devoted his efforts and splendid talent to more worthy projects which would give his own thinking better opportunities for adequate expression.

Stone's book is a memorial to Pound and his course in jurisprudence. Anyone who took Pound's course will immediately recognize the familiar names and summaries of the thought of modern legal philosophers—Austin, Roguin, Grotius, Blackstone, Bentham, Jhering, Stammler, Kohler, Savigny, Duguit, Maine, the theory of interests, and all the rest of the Pound seminar. Stone has rounded out Pound's survey, and he has added detailed annotations and bibliographies. The Pound-Stone summaries and the bibliographies will be helpful to researchers in the field. But the book, from the very nature of its conception, lacks incisive analysis and imaginative formulation of current important problems of legal philosophy.

So far as students and the teaching of jurisprudence are concerned, the Stone treatise can best be used as supplementary reading. History of philosophy is hardly taught in respectable schools as a series of summaries of what Plato, Aristotle, Kant, and others thought. The objective now, at

least on the college level, is to teach students how to philosophize. Stone's book is in the older, outmoded tradition; it is mostly a book about, rather than of, legal philosophy, though he does interpolate his own criticism. Such summarizing, even with the added criticism, does not exemplify philosophical problem-solving. It is far better, in the reviewer's judgment, to have students read the original work of legal philosophers, dead and living, with attention directed to its relevance for current issues and to what is involved in developing and defending one's own legal philosophy than to fill them with summaries that lay it all out digested and "finished."

That kind of instruction has become dated, but obviously it has not been forgotten. What has happened in the past fifteen years in the teaching of jurisprudence cannot be here reported. It must suffice to say that jurisprudence has come to life and is grappling with the major problems of our times. Both the teacher of jurisprudence and his students will therefore prefer fresher waters and the joys of live combat, which the Stone chronicle unfortunately does not provide. This is a regrettable report especially for one who, like this reviewer, admires Stone's scholarship and his clear, facile writing.

JEROME HALL

Indiana University Law School

HAMBURGER, MAX. *Morals and Law: The Growth of Aristotle's Legal Theory*. Pp. xxii, 191. New Haven: Yale University Press, 1951. \$3.75.

"There is a perfect harmony between Aristotle's ethical, legal, and political theory—the theory of the right mean is the basis; philia, social sympathy, is the life force; equity, fairness, reasonableness, and humaneness the leitmotiv; and well-being, i.e., human happiness and perfection, the supreme end."

So states Dr. Hamburger in his concluding paragraph. The main body of the work, subsequent to a brief inquiry into the authenticity of Aristotelian texts and a brief statement of Platonic views on law and morals, is a detailed examination of relevant Aristotelian texts and a comparison

of differences in their arguments, together with smaller sections devoted to historical setting and to summary of arguments. It is divided into three sections, dealing, respectively, with "Voluntary Action and Choice (Theory of Culpability)," "On Law and Justice," and "On Friendship (Philia) (Community, Partnership, Contract)."

The author stresses the fact that Aristotle's theory of law is part of and derives from a total theory of ethics and politics. He emphasizes the degree to which the Aristotelian theory of law is permeated by Aristotle's doctrine of the mean; is in its tenor constitutionalist; and is, like all Aristotle's social thought, opposed to a false precision in the name of science which is unwarranted by the nature of human beings, and by reason of that judgment which they must inevitably exercise in the midst of uncertainties. It stresses, again, the fact that law relates intimately to justice and that the two together are at once the foundation and the proper ruling end of the state; it thus shows the continuity between Aristotelian thinking and later Roman law with its Stoic foundations and its dominant concept of equity.

In an interesting summary of his third part, Hamburger also demonstrates how Roman law, thus properly understood, was subsequently misinterpreted, and how, from Bacon to Savigny, the false search for scientific certainty led to a misconception of law, partly overcome by the subsequent efforts of von Jhering, but also offset by legal realism and legal pragmatism (the two are *not*, he insists, the same), though both these last tended to achieve their work by an illegitimate divorcing of law from its philosophical foundation, and from its proper status as part of a total doctrine of man and society.

The main body of the work will be of interest only to the specialist, though its overall conclusions are of more general concern. The brilliant foreword of just over three pages by Huntington Cairns makes more significant generalizations on the course of development of Western legal thought than one would have believed possible in so brief a space.

THOMAS I. COOK

Johns Hopkins University

SIMON, YVES R. *Philosophy of Democratic Government*. Pp. ix, 324. Chicago: University of Chicago Press, 1951. \$3.50.

In order "to help people everywhere to understand the functions of democracy and to realize that this system stands on those principles that are necessary to maintain human dignity" the Charles R. Walgreen Foundation for the Study of American Institutions at the University of Chicago has undertaken the publication of a series of volumes, of which this is the second.

Its author who is now professor of social thought at the University of Chicago and who served at an earlier period as professor of philosophy at the University of Notre Dame brings to the task an intimate knowledge of Aristotle, Thomas Aquinas, Cajetan, and other political theorists of the past, together with an interest in current political and social problems; as may be indicated by his book entitled *The Road to Vichy*. He begins this present work by presenting a fairly detailed statement of his general theory of government. Proceeding to a consideration of the major problems of democratic freedom, sovereignty in democracy, democratic equality, and democracy and technology, he deals with a variety of interesting matters, including suffrage, the system of political parties, the instruments of government, proportional representation, propaganda, and labor unions.

Even a casual reader will find in this study a great deal of substance and a good many arresting ideas. By the use of numerous illustrations, often of a homely character, an attempt is made to clarify complex aspects of the subject, and there are many sections of the book which should be meaningful to nonspecialists. However, quite frequently the author lapses into language, such as the following: "Democratic optimism assumes a sociological form inasmuch as the identification of voters with society is considered a ground for trust in universal suffrage," which will make the going difficult for the ordinary reader.

HAROLD ZINK

Ohio State University

STANTON, ALFRED H., and STEWART E. PERRY (Eds.). *Personality and Political*

Crisis: New Perspectives From Social Science and Psychiatry for the Study of War and Politics. Pp. 260. Glencoe, Ill.: The Free Press, 1951. \$3.75.

The title *Personality and Political Crisis* covers only a part of the material embodied in this book. Fortunately so, because the most valuable contributions have very little to do with the narrower concept of personality, let alone with the development of political crises out of the crises of individual personality.

It is one of the established facts of what has been called the new propaganda (the concept named by Lazarsfeld) that propaganda is not a black magic—not a magic art to play up to the emotions of the man in the street and to get him to do whatever the propagandist wants him to do. The critical contributors to this volume, such as David Riesman in "From Morality to Morale," Renzo Sereno in "Psychological Warfare, Intelligence, and Insight," and David M. Levy in "Anti-Nazis: Criteria of Differentiation," make just use of this new sociologically based theory of propaganda. Who are the target people? In what way can we touch off their preshaped inclinations and activities? This theory of propaganda is the true topic of this book, which originated from lectures given in spring 1950 at the Washington School of Psychiatry.

I want to mention the contribution by David M. Levy. His article describes how he tried to find out sociological, sociopsychological, and emotional criteria of deviation from an average in order to determine who was and who was not in 1945 a reliable anti-Nazi. He assumed that there was an average family pattern in the German family with a dominating father, a restrained mother, a number of children, no crossing of the lines as in intermarriage, no political or religious anti-Nazi influence in the family, little travel or reading, and finally no constitutional neurotic abnormality of character make-up. In analyzing 21 "reliable" cases Levy found invariably a number of deviations.

Dr. Levy's is certainly a very interesting and valuable study, the methods and results of which should be applied to similar problems. It is on account of such

positive results that the book is welcomed both for the information it already offers and for the suggestions for further research.

W. ELIASBERG

New York

ECONOMICS AND INDUSTRY

PIGOU, A. C. *Keynes's "General Theory"—A Retrospective View*. Pp. viii, 69. London: Macmillan & Co. (distributed in U. S. by The Macmillan Company), 1950. \$1.25.

When J. M. Keynes's *General Theory of Income, Employment and Money* (New York: Harcourt Brace) appeared in 1936, it received a rather chilly reception from the dean of academic economics, Professor A. C. Pigou. In his review (*Economica*, New Series, Vol. III, 1936, pp. 115 ff.) of what meanwhile has become a famous volume, Pigou not only took exception to Keynes's sweeping condemnation of "classical" economics but refused to see any major contribution to economic thought in Keynes's own treatise.

Naw, after a "cooling off" period of one and a half decades Professor Pigou undertakes a fresh "appraisement as objective as [he] can make it, of what . . . the book accomplished constructively." The results are undoubtedly more flattering to Keynes than those arrived at at the first trial, although Pigou's basic attitude toward the "Keynesian revolution" would seem to be still not very different from what it was fifteen years ago.

Indeed, Keynes has recognized—as did Karl Marx some eighty years earlier—the absence in the automatism of a market- and profit-determined economy of a "built-in" mechanism keeping aggregate effective demand on a level requisite for the maintenance of full employment. Such a "built-in" governor was, in the earlier theories, the rate of interest that was supposed to equilibrate the supply of savings and the demand for investable funds so as to assure a volume of investment sufficient to provide, in conjunction with consumption outlays, the amount of spending required for the full employment output to be sold

at prevailing prices. In Keynes's view the rate of interest has no such beneficent property. "The rate of interest is *not* the 'price' which brings into equilibrium the demand for resources to invest with the readiness to abstain from present consumption" (Keynes, *op. cit.*, p. 167). This leaves, however, the volume of investment and with it the level of income and employment essentially undetermined within the "pure" economic system. In the words of a prominent Keynesian, ". . . it is vital . . . that we . . . assume definite amounts of investment which are highly variable over time in response to a myriad of exogenous and endogenous factors and *which are not automatically equilibrated to full employment levels by any efficacious economic process*" (Paul A. Samuelson, "The General Theory" in S. E. Harris [ed.], *New Economics*, New York: A. Knopf, 1947, p. 151; italics in the text).

One does not gain from Professor Pigou's discussion a clear impression as to whether he accepts or rejects this fundamental insight of Keynesian economics. Some passages suggest that Professor Pigou, while endorsing the view of the capitalist process as inherently unstable, refuses merely to attribute this instability to the volatile behavior of one factor, investment, and prefers a more general approach seeking the explanation of variations in the level of income and employment in the "state of any other of the relevant factors" (p. 27). Other statements convey the feeling that Professor Pigou has by no means lost faith in the equilibrating forces of the market mechanism, that in fact he expects changes in prices and in the rate of interest to equilibrate the supply of and the demand for investable funds on a full employment level (p. 27, footnote).

A "Keynesian" is thus not likely to derive much comfort from Professor Pigou's "rehearing" of the case. His observations concerning the exclusively short-run nature of the Keynesian analysis, his remarks on the limitations of the Keynesian method with respect to the *path* from one equilibrium position to another undoubtedly carry much force and significance.

In times when the long-run issues of capitalist development have properly moved

into the center of attention, overshadowing the problems of short-term fluctuations in the level of income and employment, the Keynesian "tool box" is bound to lose much of its former appeal. In considering the broader questions of the future of the capitalist order economists and other social scientists may have to return from the attractive simplicity of the Keynesian model to the more difficult but also more realistic complexity of Smith, Ricardo, Marx, and Professor Pigou.

PAUL A. BARAN

Stanford University

SCHUMPETER, JOSEPH A. *Ten Great Economists From Marx to Keynes*. Pp. xiv, 305. New York: Oxford University Press, 1951. \$4.75.

The universality and flexibility of Schumpeter's mind enabled him to write on the history of economics from two points of view. In his first comprehensive treatment of the subject, published in 1914 in Max Weber's *Grundriss der Sozialökonomik*, he chose instead of the conventional biographical method an analysis of the historical sequence of economic problems and their solutions during the past two centuries. This approach—which might be called the dogmatic method of the history of economic thought—has rarely been handled with greater virtuosity (*Die Epochen der Dogmen- und Methodengeschichte*).

Yet, throughout his life, Schumpeter felt equally drawn to writing on subjects of the history of economic thought in the traditional biographical style, as his obituaries of economists of the preceding generation attest. Though some of those articles were too short to permit a detailed appraisal, others were of significant size and content and represent brilliant specimens of the biographical approach. This group comprises essays on Walras, Menger, Böhm-Bawerk, Taussig, Fisher, Mitchell, and Keynes, all of which deserved republication.

In the present volume they are supplemented by three other studies which originated under notable conditions: first, an article on Pareto published twenty-six years after the death of the "lone thinker of Céligny"; second, a paper on Marshall,

modestly termed a semi-centennial appraisal of the *Principles*; and, finally, a broad treatment of Marx, which the editors have reprinted from Schumpeter's book *Capitalism, Socialism and Democracy*. Most of the papers were originally written in English, but three of them required translation.

Yet the roster of the "ten great economists" might be criticized as including either too many or too few. Not all of the ten rank with the towering figures in economics of the past century, while others who deserve such recognition have been omitted. This criticism, however, would in general be ill-founded since it disregards the fact that originally Schumpeter did not contemplate an integration of the essays into a book. The ten studies should be evaluated primarily as the products of a constructive mind which, eager for "self-realization," intermittently assessed the scientific heritage left him by his immediate predecessors and teachers.

One objection, however, cannot be dismissed in this general way. In 1926 Schumpeter wrote a long and magnificent paper on the founder of the German historical school, Gustav Schmoller, which better than any other document clarified his attitude towards the historical method (*Schmollers Jahrbuch*, vol. L³, pp. 337-388). In this article, Schumpeter referred to Schmoller's name as a "living program" and characterized him, as Wesley C. Mitchell had done previously, as the "father of American institutionalism." The present volume I think would essentially gain by including this important appraisal in its next edition, which I take is assured.

Schumpeter as a writer excels in his gift of adapting his techniques to the particular subject under treatment. Essays that portray the great system-builders with the broad strokes of an *al fresco* picture of the Italian Renaissance alternate with others that, like the still lifes of the old Dutch school, describe every detail of a scholar's history with an almost tender affection. Still, in spite of the great variety in technique, presentation, and subjects, all his discussions concentrate fundamentally on the deepest epistemological problem faced

by an economist: "How is economics as a science possible?" For this reason the volume can hardly fail to become an indispensable tool in the workshop of every social scientist.

Fritz Karl Mann

The American University

DEAN, JOEL. *Managerial Economics*. Pp. xiv, 621. New York: Prentice-Hall, Inc., 1951. \$6.65.

The author, a management consultant and professor of business economics, applies the techniques of economic analysis and economic projection to a broad area of business problems. The intent of the author is to aid business executives, who make managerial decisions, by presenting a method of applying economic analysis to the formulation of top-management policy. Major emphasis is given to the subjects of marketing policy (product, pricing, and promotion policies), demand forecasting, cost analysis, and capital equipment investment.

Principles rather than descriptive procedures are formulated in the text material for the following subject areas:

Profits are examined according to measurement, policy decisions on profit standards and goals, and the use of profits for control purposes in a complex business organization. In considering profits, the author contends that "a business firm is an organization designed to make profits, and profits are the primary measure of its success." Consequently, the author uses economic analysis in its application to private enterprise rather than public policy. His viewpoint considers objective managerial problems and not social ones.

Competition is covered according to types of competition and competitive action, its measurement, and anti-trust developments. The author comments that the technique of measuring the concentration of economic power is still an undeveloped art and that an understanding of competitive behavior still requires close *ad hoc* study of individual markets.

Multiple products as a subject is treated by sketching the framework for a policy approach to product-line policy in a multiple-product firm. Criteria for the addition

of and considerations for the dropping of a product are given.

Demand analysis is examined by studying the various concepts of demand in their managerial context and by surveying the methods of measuring them. The text material for this subject is augmented by statistical and graphic illustrations.

Cost is approached from the viewpoint of using economic analysis to produce cost estimates that are relevant for management decisions from orthodox accounting records. Numerous illustrations of graphic and statistical nature are used to clarify the concepts presented.

Advertising is discussed around the problem of planning and controlling a firm's advertising expenditure with special emphasis on the cyclical policy for advertising.

Basic price is treated by the development of a philosophy of price making. New-product pricing, price leadership, and cost-plus pricing are given special attention.

Product-line pricing is separately handled by showing the application of principles for pricing selected products that are physically distinct and sold under diverse demand conditions.

Price differentials—for this topic, the author develops an analysis for establishing a structure of price differentials designed to accommodate various circumstances surrounding individual purchases. Emphasis is given to distributor discounts, quantity discounts, and geographical differentials.

Capital budgeting is analyzed from the problems of estimating internal demand for capital, determining the supply of funds, and rationing out the funds among the best prospective investments.

Although the text material is of a technical nature, it is so well organized by subject and sub-topic breakdown that reading and understanding are greatly facilitated. Ample charts and graphic illustrations also facilitate understanding of the concepts presented. Business executives such as controllers, sales managers, treasurers, and advertising managers, as well as economists, will find many stimulating ideas and economic analysis techniques presented by the author. If there is a

need for a book that demonstrates the practical application of economic principles and analysis in the making of managerial decisions and the formulation of top-management policy, then this book can fulfill that need to a great extent.

JOHN F. MEE

Indiana University

FAULKNER, HAROLD U. *The Decline of Laissez Faire, 1897-1917*. Vol. VII in "The Economic History of the United States." Pp. xiv, 433. New York: Rinehart & Company, 1951. \$6.00 trade; \$4.50 text.

Professor Faulkner, with his habitual thoroughness and balance, has given us an admirable account of a period of singular significance. More than most junctures in American economic history a study of the period from 1897 to 1917 enables us to understand previous tendencies and to appreciate the force of subsequent developments. This volume, like others in the series to which it belongs, demonstrates the advantage of portraying the growth of our economic life by stages. This method combines, in great part, the benefits of the specialized monograph and the generalizations of over-all treatments without the disabilities of the minute study or the summary view. The span of twenty years, properly chosen for dominant character, permits the blend of time and topic which is most revealing and gratifying to the student. The particular course of change is not disembodied or isolated from the broad cultural factors that influenced it, nor is the subject selected for emphasis lost in environing circumstance. Professor Faulkner's equipment in political and social, as well as in economic, history has well served him and his readers.

To this reviewer, who has had the slightest share in advocacy calculated to adapt public policy to the economics of large scale production, this historical recital is peculiarly satisfying. One often mistrusts his own arguments, as well he may, until he finds them confirmed or corrected in the event. This rehearsal shows how some champions and commentators were over-excited about the blessing or bane of business consolidation, finance capitalism, popu-

lation movements into and within the country, and how others guessed little of the meaning in current happenings. For that matter, the need for turning centralizing tendencies, in industry and government, to democratic purposes must remain a constant concern.

The author's knowledge—and use—of the bibliography of the subject and period is extraordinarily wide; the text is informed by it on every page, and the appended annotated list of sources will have the attention of wise students who want to be wiser.

In telling a full story of economic progress and lapse in two decades, all in some four hundred pages, the temptation to sacrifice interpretation to narrative must have been strong. This author has resisted it and has given us supported judgments which are compliments to his discernment. That the economist, as such, has his important office is evident in increasing recognition of his contribution to public opinion and administration. But the best workmen in the craft will be persuaded, in volumes such as this, how they may guide their scrutiny and apply their recommendations in the light of historical hindsight.

BROADUS MITCHELL

Rutgers University

MITCHELL, WESLEY C. *What Happens During Business Cycles: A Progress Report*. Pp. xxxi, 386. New York: National Bureau of Economic Research, 1951. \$5.00.

This posthumous volume, edited by Arthur F. Burns, brings to a close a lifetime of work in the field of business cycle research. One cannot turn to it, therefore, without respect for its author and for the monumental task which he set for himself. It is, as the title indicates, a progress report. Some of the writing is a little rough, some of the chapters rather difficult, especially to those who are not familiar with the peculiar methods and terminology of the National Bureau of Economic Research.

It is enlivened here and there with acute observations and dry comments characteristic of the author, and its conclusions are tentative, though firm. The title is perhaps

somewhat misleading: one might suggest somewhat maliciously that it might have been better entitled "What happens at the National Bureau." It represents a culmination, and a distillation of decades of research along highly special lines. The National Bureau collects time series much as entomologists collect bugs. It then proceeds to manipulate these time series in order to find some method for summarizing the information contained in them. The present volume is based on a maximum of 794 different time series of varying lengths and significance, with a more detailed analysis of smaller samples.

The essence of the method of analysis is the device of the "reference cycle," which is obtained by identifying the peaks and troughs (of three months duration) of the general business cycle, and dividing the period between trough and peak and between peak and trough into three equal periods, yielding nine points of reference in all. I and IX are the first and second troughs; V is the peak; II, III, and IV are stages on the way up; and VI, VII, and VIII are stages on the way down. By this device the *shape* of cycles can be described roughly without going into too much detail.

In a sense this assumes the existence of a cycle right at the beginning of the argument, which is one of the hypotheses the study sets out to prove. Nevertheless, no serious logical fallacy is involved: the conformity of the specific series to the reference cycle is great enough to dispel any doubts one might have about the existence of a business cycle.

What the study is looking for is an "average" cycle, and the reference cycle device is introduced, one suspects, to get around the fact that the periodicity of cycles is so irregular as to make averaging meaningless. The book therefore concentrates on the problems of conformity (the extent to which particular cycles conform to the reference cycle), amplitude (especially of reference cycles), dispersion of the individual cycles about the average, and timing (the extent to which particular cycles lead or lag behind the reference cycle). The evidence presented is at least sufficient to justify the belief that there is a "creature" which might be called the

business cycle, and that we have some kind of universe of these "creatures" from which samples can be taken.

One wonders if the present volume does not go about as far as the methodology of time series description can profitably go. That it makes a contribution is unquestionable; that the contribution is very large may be doubted. It would seem as if future research into this field would do better to get down to the microeconomic level and to study the decision-making process itself. The National Bureau approach is the astronomy of economics—the painstaking charting of the courses of its 794 planets across the statistical heavens. But no law of gravity emerges to reduce the Ptolemaic epicycles to a grand Newtonian scheme, probably because there is no such law. It may be that the most fruitful direction of economic research for the future lies in the world of men rather than of time series.

K. E. BOULDING

University of Michigan

STOCKING, GEORGE W., and MYRON W. WATKINS. *Monopoly and Free Enterprise*. With the report and recommendations of the Committee on Cartels and Monopoly. Pp. xv, 596. New York: The Twentieth Century Fund, 1951. \$4.00.

Monopoly and Free Enterprise is the third and last volume in a series of studies on cartels and monopoly prepared by Messrs. Stocking and Watkins in recent years under the auspices of the Twentieth Century Fund. Their factual findings, embraced in Chapters 1–15, are followed by a report and recommendations of the Committee on Cartels and Monopoly appointed by the Twentieth Century Fund. Unlike the preceding studies in this series, however, this volume deals exclusively with the American scene. How to foster an effectively competitive economy is its major theme.

Free competition is both an essential ingredient and a palladium of a democratic society. In a private enterprise economy, competition, via the democratic and impersonal forces of free markets, organizes economic activity. It is relied on to

promote progress. A number of forces, however (classified by the authors as "technical," "commercial," "financial," and "strategic"), have been responsible for limiting competition and concentrating economic power. As a result, both agencies of the federal government and private organizations, as well as academic scholars, have been preoccupied for over half a century with what have been epitomized at different times as the "trust" problem, the "monopoly" problem, the concentration of economic power, and the problems of small business.

In the course of their investigation the authors examine the relationship of concentration to the theory and practice of free enterprise, the competition limiting consequences of certain business practices and government legislation, and the record of governmental action to curb monopolistic practices. Specific chapters deal with such subjects as the development of concentration in American industry, basing point pricing, trade associations, patents, trade practices, and antitrust policy.

The authors neither adduce new facts nor advance new theories. Rather they have sought to organize and analyze ideas and information that have been accumulating via scholarly studies, the findings of Congressional committees and private organizations, and court decisions. This is no mean task, and this reviewer believes that the authors present a clearer and more comprehensible account of the problem of industrial government in a democratic society than can be found in the literature published in recent years.

This book is well suited for college courses that go by such names as Trust and Corporation Problems, and Public Policy and Private Enterprise. It will be appreciated by economists who have not kept abreast of the literature of market structure and practices and public policy, and will hold the interest of laymen who are interested in economic problems. The latter, who may be repelled by the mathematical exercises and a technique of writing reminiscent of manuals on building a boat, so frequently found in the literature of monopoly and competition, will discover that the authors have produced, without

bending a single curve, an articulate and coherent treatment of a technical subject.

MYRON L. HOCH

The City College of the
City of New York

CAMPO, PIETRO. *Glimpses of a New Horizon: an Outline of a New Economic and Social Order*. Pp. 58. New York: The William-Frederick Press, 1951. \$1.25.

The writer of this small book is evidently a gentleman with democratic ideals and Christian good will who has tried to think his way through to a solution of our present national and international troubles. He is, however, not expert in the problems with which he deals. He proposes a simplified political organization and a collectivist economy but shows no comprehension of the complexity of economic organization or of the difficulties of implementing a political program involving any great change in existing institutions. He wishes to abolish private ownership of capital without compensation, put everyone on salaries with differentials allowing a million a year for the top brains, and organize the whole economic and social life under about nine national boards. He believes that the idea is so good that it would be adopted by referendum if properly studied and understopped.

A. CAMPBELL GARNETT

The University of Wisconsin

HALL, CHALLIS A., JR. *Effects of Taxation: Executive Compensation and Retirement Plans*. Pp. xv, 365. Boston: Graduate School of Business Administration, Harvard University, 1951. \$4.25.

SANDERS, THOMAS H. *Effects of Taxation on Executives*. Pp. xiii, 229. Boston: Graduate School of Business Administration, Harvard University, 1951. \$3.25.

These two publications, which constitute the third and fourth volumes of a series dealing with the effects of taxation on various phases of business activities, are closely related in subject matter, and provide between them a comprehensive and detailed account of the influence of taxation on both the economic activity and compensation of business executives.

Professor Sanders, whose book is the

broader of the two, devotes one of his three main sections to a discussion of executive compensation, the topic to which Professor Hall devotes his entire book. Despite this apparent overlapping, there is very little actual duplication. In those instances where identical points are made, the points are either sufficiently important to bear repetition, or the difference in the approach and point of view of the two authors is sufficiently marked so that the reader's understanding is enhanced. Sanders is concerned largely with the aspirations, interests and reactions of business executives. Hall, on the other hand, gives greater consideration to the viewpoint of the firm itself, as distinct from the executives in its employ.

Professor Sanders' section on executive compensation includes chapters on direct compensation, stock option and stock purchase plans, executive retirement and pension plans, and expense allowances. In the two remaining sections of his book, he deals with the effects of taxation on the efforts of executives and on their investments. Particularly interesting and worthy of attention are the chapter entitled "Executive Mobility" in the first of these sections and the chapter entitled "Little Outside Ventures" in the second.

Taking advantage of the more limited scope of his book, *Effects of Taxation: Executive Compensation and Retirement Plans*, Professor Hall has undertaken a more thoroughgoing and more technical analysis of his subject. The book is divided into nine chapters and five appendixes, three of which are largely statistical in character. Hall emphasizes at the very outset that his primary concern is not with the effects of taxation on direct compensation, but with "the effects of federal taxation on the use and conditions of deferred-type compensation plans for executives in large corporations, and of the economic effects arising from them" (p. 1). He presents material on deferred distribution bonus and profit sharing plans, as well as several types of retirement, deferred compensation, and individual annuity plans. In each case, he not only describes the different plans but also notes the conditions under which they may be used with ad-

vantage, and he discusses the relative tax burdens they bear.

Several interesting and significant general conclusions emerge from these two books. It is reassuring to learn, for example, that both writers believe business executives perform their duties no less conscientiously as a result of the high rate of taxation on their earnings. It is also made clear that executives are as much concerned about their financial security as any one else, despite the fact that they may object to the word "security." In this connection Professor Sanders writes: "In their own way, and at their own levels, executives are as ardently in quest of security as any other classes" (p. 190). Moreover, the data on salaries, deferred compensation, bonuses and retirement benefits presented in these two books indicate that executives are frequently highly successful in achieving this security.

LEO FISHMAN

West Virginia University

SCHELLING, THOMAS C. *National Income Behavior, An Introduction to Algebraic Analysis*. Pp. x, 291. New York: McGraw-Hill Book Company, 1951. \$4.50.

This volume is included in the series of "Economics Handbooks" under the editorship of Professor Seymour Harris. It is advertised as "fundamentally an elementary text." It is little more of a handbook than Pareto's *Manuel* was a manual, and woe betide any unwary undergraduate instructor who uses it as more than an occasional reference.

Mr. Schelling in this book has essayed the role of skeleton assembler. From as elementary a level as he can, he has set out to develop as much as he can of the mathematical underpinning of current "aggregative" or "macro-" economics. At the outset, any junior high school graduate without a positive mathematical phobia can follow him. Throughout the book, Schelling eschews all but the most elementary notions of calculus—except for an appendix dealing with differential equations. Determinants and matrices are avoided altogether, although the analysis passes to increasingly large members of simultaneous linear equations.

As a skeleton assembler, Schelling has done a thorough and workmanlike job. The book is in four parts. The first of these covers the standard two-equation closed-system case dealt with in an increasing number of elementary and intermediate texts. It reads quite easily and should be useful to the great bulk of students and practitioners. After Part I, however, the gradient of complexity (if not of basic difficulty) rises sharply. The usefulness of these later parts may be limited to references and checks against independent studies by oneself and other workers. Part II, for example, introduces complications due to economic class structure, and also provides explicit treatment of government receipts and expenditures. Part III opens the system to international trade, and Part IV introduces dynamics in the form of leads and lags in adjustment.

The author's guiding hand is limited almost entirely to the algebra as algebra, and the reader must be his own economist. Limitations of time and space have reduced the economics proper to a minimum. It will require a well-trained specialist to appreciate the economic significance of many of Schelling's results, especially those derived from the solution of numerous simultaneous equations and including large numbers of coefficients whose values are undetermined. In short, like most skeletons, this one is short of flesh.

The reader must also be his own statistician or econometrician. Schelling's algebra has run well ahead of his statistics as well as his economics. The reader must decide for himself whether the author's postulates accord with statistical fact, and also guess at the probable values of many of the parameters, since Schelling has made no empirical contribution. Among the questionable relations which this reviewer noted (in Part II) were linear functions relating investment, government expenditures, and tax receipts to national income alone, with other variables, such as assets and interest rates, ignored. Furthermore, as an illustration of how the best of us can be bemused at times by our own algebra, the "investment function" is supposed not to vary with the distribution of income between profits and wages.

If he ventures beyond Part I, the reader should also cling constantly to pencil and paper. The author and publisher have been relatively lavish quantitatively with their mathematics, leaving almost nothing to "it follows that" and "it can easily be shown." Nevertheless, pencil and paper are canteens in the desert for all readers unable to solve three or more simultaneous equations mentally, or to keep in mind a long running glossary of symbols which, like characters in Russian novels, are otherwise difficult to associate either with each other or with roles in the story.

M. BRONFENBRENNER

University of Wisconsin

MERRITT, WALTER GORDON. *Destination Unknown: Fifty Years of Labor Relations*. Pp. x, 454. New York: Prentice-Hall, 1951. \$5.65.

During much of the past half century Mr. Merritt, of the New York bar, has represented employers in many of their most important controversies with labor unions. As a young lawyer, son of a Danbury hat manufacturer, he figured prominently in the Danbury Hatters litigation and in other leading cases involving labor boycotts, notably the Buck's Stove, Coronado, Duplex, and Bedford Stone cases. For many years he served the anthracite coal operators in their dealings with the union.

This book's text falls into two parts. The first is historical, with special reference to the author's experiences; the second is rather discursively topical and analytical, putting forward a number of constructive suggestions. Both sections are abundantly documented. Appendixes are devoted to state legislation on labor relations, including a digest of the comprehensive and short-lived statute enacted by Delaware in 1947.

Our author naturally devotes considerable space to dubious or worse features of union activity, past and present; and it is not surprising that he says much less about violence, espionage, and trickery on the employing side. He tells, however, how he has often courted and received unpopularity among employers by standing for a real right of workers to organize and bar-

gain collectively, unobstructed by "yellow-dog" contracts. He concedes that employers lived in a fool's paradise before the New Deal labor legislation broke upon them and urges that labor should reconcile itself to somewhat comparable regulation. "I have not such confidence in the self-restraint of employers that I would leave the workers unorganized and unprotected," he says, "nor have I such confidence in the organizations of the workers that I would leave employers and society unprotected from their excesses."

The Taft-Hartley Act is approved by Mr. Merritt as to its general orientation and as to most of its particulars, but he calls for further regulation of rights to strike and to lock out, particularly in order to keep coal mines and the railways operating.

Emphasizing the criteria of workability and cultivation of respect for due legal processes, he urges that government should more effectively support private efforts toward enforcement of labor agreements and toward arbitration, as the final step in disputes, regarding contract terms as well as grievances. He thinks the doctrine developed under the Norris-LaGuardia Act, that the employer is not entitled to equitable protection if he has refused arbitration, should be matched by differentiating a union's legal status as to strike activities according to the objective of the strike and its record as to contract fulfillment and willingness to arbitrate. For coal mining, Mr. Merritt's package includes regional contracts expiring at different seasons of the year, so that a legal strike may occur in only a minor part of the industry at any one time. For railroading, his novelty is mandatory routine wage determination in connection with the Interstate Commerce Commission. He does not seem to realize how largely the rail workers depend on alterations and interpretations of their working rules to improve their take-home pay.

In general the volume is more impressive as a judiciously *ex parte* contribution to the history of our labor relations and as a wrestle with the problems of public policy therein involved than as a positive, well-articulated program for the future.

But the problems are so difficult that this is not faint praise.

Z. CLARK DICKINSON

University of Michigan

MILLER, GLENN W. *Problems of Labor.*

Pp. xvi, 560. New York: The Macmillan Company, 1951. \$5.00.

What with the issuance of revised editions of older textbooks in the "labor problems" field and the publication of new texts, the saturation point must surely be near—if there is any saturation point at all for textbooks in an area where time alone requires additions to the teaching material. This is recognized by Professor Miller himself in the preface to his volume. The justification for this new text, in the words of the author, lies in "a different organization and degree of emphasis on various subjects," particularly "a much heavier emphasis . . . on government intervention in labor-management relations than is customary." In other words, as between the encyclopedic type of text and the texts which choose some identifiable and more digestible portion of the field, Professor Miller has chosen the encyclopedic, with a variation of emphasis.

It is always difficult to quarrel with personal preferences, but looking at the organization of the volume, which the author states is a result of his teaching experience, it seems to this reviewer that the sequence in which the subjects are covered is such that any student with a logical mind (and there are such) will read the volume in a different order unless forced by assignment to do otherwise. For example, after two chapters of "background" and "approaches" we get three chapters on union history, structure, and so forth. Then comes a chapter on "The Interest and Approach of Employers," followed by "The Place and Purpose of Labor Legislation," and numerous chapters on unemployment, old age dependency, sickness and accidents, wages and wage theories, and hours problems. It is only about fourteen chapters later that we return to the unions, with chapters on the right to organize, on collective bargaining, and on the settlement of disputes. During this interval, the author ties the unions into the story by comment on the

"union attitude" and the "union solution." The result is frequent repetition of brief material without real thought or exploration of the union positions.

When we come to content, the usual failing of the encyclopedic text is apparent. A little of everything means not much of anything, so that unless extreme care is used in the condensation, little feeling for the complexities of the subject will be conveyed. Most text authors have some areas in which they are more interested than in others, and this is reflected in Professor Miller's volume. His interest, as he himself states, lies in the role of government. As a consequence, the material in this area is much better developed (within the spatial limitations) than other aspects of the problems of labor. The material on union structure and functions, on the other hand, is oversimplified. The same is true in the section on wage determination, where little or nothing is presented on the recent developments in connection with labor mobility and wage differentials. Finally, while the tone of the whole volume has a desirable simplicity of expression, it frequently appears to lapse into "talking down."

HERBERT J. LAHNE

Washington, D. C.

MYERS, CHARLES A. *Industrial Relations in Sweden: Some Comparisons With American Experience*. Pp. viii, 112. Cambridge: The Technology Press, Massachusetts Institute of Technology, 1951. No price.

The director of the Industrial Relations Section of the Massachusetts Institute of Technology's Department of Economic and Social Sciences here provides a compact account of his intensive observations in Sweden last year as a specialist under the Exchange of Persons program established by the Smith-Mundt Act of 1948. The study was made at the request of the Swedish counterpart of our Committee on Economic Development.

The result is a most illuminating and suggestive comparison of Swedish and American practice with particular reference to management attitudes, collective bargaining trends, and such problems as job

evaluation, grievance procedure, layoffs and discharges, labor-management committees (enterprise councils in Swedish parlance), the foreman's position in management, and personnel policies and procedures. In the concluding chapter the similarities and differences are summarized, the latter being far more numerous.

Union-management relations are more mature and institutionalized in Sweden, but the attention given by management to plant-level problems of industrial relations and to personnel administration is of longer standing in the United States. Yet the author found a keen and growing interest in these problems. A resurvey after a decade will probably reveal fewer differences. The enterprise councils, now rapidly spreading to a large number of firms, are providing a promising channel of communication between management and workers and will bear further watching by American observers.

It is in the relations between the central organizations of employers and unions that we might well learn from Swedish experience. Despite full employment, a "wage stop" was arranged during 1949 and 1950 without any governmental intervention. No Wagner Act or Taft-Hartley parallels were legislated in a country where employers and unions had developed strong, self-disciplined central federations long before the blows of war and depression fell on the national economy. The more thoughtful leaders of these federations sense the potentialities of danger in such centralized power, but they would emphatically agree with Professor Myers that "excessive autonomy and consequent disregard for national economic stability by unions and employers are also dangers in a democratic society."

JAMES J. ROBBINS

The American University

WITNEY, FRED. *Government and Collective Bargaining*. Edited by Joseph Shister. Pp. viii, 741. Philadelphia: J. B. Lippincott Company, 1951. \$7.50 trade, \$6.00 text.

Fred Witney has painstakingly described the content of American law relating to collective bargaining. He has given detailed

attention to the historical development of government action in this field, and has carefully and critically analyzed the principal contributions of the national and state legislatures, administrative agencies, and courts. Although the presentation is basically chronological, the author has not hesitated to get ahead of his story on occasion in order to deal with particular subjects comprehensively and logically and to describe the wartime collective bargaining controls in one section.

Interspersed with the description there is a great deal of justification and denunciation of various union and management practices and of the legal provisions designed to encourage or regulate them. Witney usually gives the reasons for his judgments in considerable detail, and they reflect warm concern for the preservation of labor's gains and the principle of collective bargaining. This reviewer is inclined for the most part to agree both with the judgments and with the practice of including them in a textbook. They are likely to stimulate students to evaluate public policy and to relate it to the economic environment and the nature of labor and management institutions. Witney's judgments might have been somewhat more provocative in this respect had they been presented a bit more tentatively. This is especially true of his predictions about the consequences that flow from government action.

While the book is excellent as a careful description of the content of the law, it is sometimes rather naïve in its assumptions about the nature of the process by which public policy is formed. "The government" is evidently conceived of as an independent force issuing edicts that either promote or do not promote the "public interest." "The public" is itself regarded as a third party which can be discussed as a homogeneous entity. There is, in short, little realization that government action is invariably the result of the interplay of organized or unorganized group interests, a concept that is particularly important in the labor field where government activity is best understood as an extension and a compromise of the strivings of labor, management, and tangential groups.

While this criticism may take Witney to task for not doing something he did not set out to do, his failure to meet the problem has inevitably resulted in some dubious generalizations. Thus, he declares several times that labor's gains in the 1930's were attributable more to the favorable legal environment than to the economic conditions of the time. The assumption that the two factors are independent variables follows from the author's basic orientation on policy formation.

The book is in any case a welcome addition to the literature and will unquestionably meet the needs of many teachers for a detailed treatment of the law of collective bargaining.

MURRAY EDELMAN

University of Illinois

SOCIOLOGY AND EDUCATION

FRANK, LAWRENCE K. *Nature and Human Nature: Man's New Image of Himself*. Pp. ix, 175. New Brunswick: Rutgers University Press, 1951. \$3.00.

This is a collection of papers and lectures by the author, published or delivered at various times and places during the past decade, to which has been added an introductory and concluding chapter to "round out the presentation and indicate the relevance and, in the writer's opinion, the great significance of these new ideas and the way of thinking they now make possible" (p. vi). The general theme is that recently developed conceptions and new ways of thinking about nature and human nature have radically changed, or should radically change, our method of approach to many problems. The body of the book is devoted to elaborating and illustrating this thesis in five chapters, devoted respectively to "The Geographical Environment," "The Internal Environment," "The Cultural Environment," "The Social Environment of Group Living," and "Our Private Worlds."

It is impossible to disagree with the author's central theses, and the book can be highly recommended to the general reader as a pleasant and thoughtful, if somewhat repetitious and lyrical, series of essays.

The reviewer usually finds himself in agreement with Dr. Frank's views, including his prejudices, on most subjects, but I am somewhat more doubtful than he is as to whether the ideologies and programs in which contemporary men place their faith and hopes are not in many cases as visionary as most of those whose passing is regarded with some optimism by Dr. Frank. I should like to believe with the author that under the new ways of thinking about men and nature "a cumulative process of cultural and social change will be carried on in which the central theme will be the worth of the individual personality, respect for the 'private world' of each individual as essential to the dignity of man, woman, and child" (p. 170). But I regret to say most of the signs thus far in urban industrial civilization seem to me, in every country, to point in quite the opposite direction. To the extent, however, that the author is speaking of what might be, in the light of modern knowledge as contrasted with what uses we have actually made so far of that knowledge, his book is a valuable summary. GEORGE A. LUNDBERG

University of Washington

LOCKE, HARVEY J. *Predicting Adjustment in Marriage: A Comparison of a Divorced and a Happily Married Group*. Pp. xx, 407. New York: Henry Holt and Company, 1951. \$3.50.

This is a study of certain aspects of the marriage experience of 929 persons selected to be typical of a single Indiana county and interviewed between 1939 and 1945. It includes 201 divorced couples where both were interviewed, 123 other divorced persons, 200 happily married couples, and 4 extra individuals. The methods used are an adaptation of those earlier developed by such men as Terman, Burgess, Cottrell, and others. Materials are presented in great detail so that a reader cannot only see the conclusions of the author but make his own if he wishes. Two appendices give the questionnaire used and a statistical analysis made of the personality traits of parents of the subjects studied. A third gives a summary of the results of seventeen previous studies of this nature.

Fifteen general conclusions from this and collated studies are given in a summary chapter. Both marital adjustment and alienation are held to be moving processes or growths. These processes begin with courtship, involve also the parental or in-law relations, and are closely tied up with sexual intercourse. The presence of children in the family is held by the author not to affect marital adjustment markedly. Persons having "directorial ability" and "adaptability" and who are affectionate, sociable, and conventional make better adjustments than others. Those who try to get along with their spouses (companions) and those who are more successful economically do better than others. If a woman works outside her home and the husband has no objection, adjustment does not seem to be affected one way or another. Those who have lost a mate by death and divorced women seem to make satisfactory adjustments in remarriages.

The book is a *must* for persons interested in working in family sociology as either teachers, counselors, or researchers. However it (and most of the seventeen previous studies summarized here) raises a number of statistical, or logical, problems of a high order. Does simple correlation mean cause, or, at any rate, approach the understanding of such? In key cases the author uses this practice both ways to suit judgment and circumstances. Then, again, approaches to multiple and partial correlation, even elaborate cross tabulation, are not particularly used or emphasized. If an assumption be made that a family is a community of common values, the establishment of which is facilitated by a low common denominator of antithetical experience at the start, many of the specious correlations would group themselves immediately (see Chapter XI Conclusions as an illustration).

Finally, much of the analysis seems involved about inner or spurious correlation. Space does not permit the elaboration of the reasoning from these logical fallacies, a practice which has long bedeviled much social science and family sociology in particular.

CARLE C. ZIMMERMAN

Harvard University

ROSE, ARNOLD M. (Ed.). *Race Prejudice and Discrimination: Readings in Intergroup Relations in the United States*. Pp. xi, 605, vi. New York: Alfred A. Knopf, 1951. \$4.50.

In this volume the editor has brought together fifty-eight abridged articles on intergroup relations in the United States. They have been organized under five main headings, "Minority Problems in the United States," "The Kinds of Discrimination," "Group Identification and the Minority Community," "Perceptions of the Minority and the Causes of Prejudice," and "Proposed Techniques for Eliminating Minority Problems." Each major division begins with an introductory survey by Professor Rose, who also provides a brief foreword to each selection. At the end of the volume are suggestions for further study, a series of questions for discussion, and finally a number of brief research topics.

The editor's stated aim in producing the volume was a twofold purpose. Primarily he intended that it be used as a major or supplementary text in general college courses in intergroup relations. Secondly, he hoped it would be useful as a source book of basic literature for practitioners.

The volume will no doubt be well received, but its reception will demonstrate once again the crying need for professors in institutions of higher learning and for practitioners in the field to evaluate the effectiveness of the work they are doing. In the last decade we have moved from an uncritical acceptance of the idea that prejudice could be reduced and discrimination eliminated by the teaching of facts and by putting a major emphasis on thinking straight about them. For a time we maintained that "attitudes are caught and not taught," denying the efficacy of teaching knowledge and methods of reasoning reflectively about the problems of intergroup relations. Today we are more sober in our expectations, but at the same time we seem to be taking the job which confronts us much more seriously.

Kurt Lewin, Goodwin Watson, and R. M. MacIver have all stressed the importance of action, and especially action-research in attempts to improve our human relations

among the diverse groups in the United States. Hilda Taba and many others who have been experimenting with school and community projects to improve intergroup relations have stressed the importance of action projects in which knowledge, motivation, and know how are teamed together to produce the only kind of result which is required if knowledge is not to remain inert, if motivation is not to evaporate in sentimental or impotent good will, and if skills and practical efforts are not to prove abortive.

Professor Rose would have improved the volume if he had included materials which would have challenged students to direct their attention to the intergroup problems in their own lives in the colleges and on the campuses where they are living and learning, and if he had first more clearly thought out the philosophy of education in accordance with which he would prepare his plan for the volume. As the book stands, there is a grave danger it will prove as useful as carrying coals to Newcastle.

MARTIN P. CHWOROWSKY

Columbia University

RUESCH, JURGEN, and GREGORY BATESON. *Communication: The Social Matrix of Psychiatry*. Pp. vi, 314. New York: W. W. Norton & Company, 1951. \$4.50.

A psychiatrist and an anthropologist have here jointly proposed a solution to the dilemma created for psychiatry by the fact of cultural relativity. If psychological normality and abnormality and the backgrounds of patient and therapist vary in different cultures, is a universal science of psychiatry at all possible? As a result of investigating the role of communication in psychiatry and the value premises governing communication in America, of developing a systematic theory of communication, and of reconsidering contemporary psychiatric practices in the light of their theory, the authors argue for the possibility of a science of psychiatry.

Because it takes as its point of departure the psychiatrist's task of re-establishing the efficiency of a patient's communication system, the theory is committed to a dualistic epistemology. All communication depends

upon the internal processes of evaluation of preferences and codification of perceptions, which are copies of the external world.

This static, mechanistic, logical system is structured in terms of four interrelated levels of abstraction, each possessing its own network of communication and its own technical characteristics: the intrapersonal, the interpersonal, the group, and the cultural levels. The technical aspects of communication appropriate to these levels are analyzed by Bateson under the heading of codification, which is based on the theories of cybernetics.

Though carefully elaborated and highly provocative, the system as a whole is susceptible to certain criticisms: (1) Any systematic theory assumes—contrary to empirical fact—that relationships in the empirical world are logical. (2) Contradictorily, the authors view communication and information as the result of mechanisms within the separate, private, biological individuals (p. 169), and they argue that cultures produce common communication systems among their members (p. 94). (3) The term "value" is clearly employed in two ways, and, indeed, it is this twofold usage which permits it to function as the transition between the logical, static system of communication and the active, empirical world. Reusch describes, with consummate skill and sensitivity, the historical development and seeming logical contradiction of the basic American values of morality, equality, sociality, success, and change, but Bateson argues that in all men discrimination of preferences between logical alternatives determines values (p. 176).

One solution to this contradiction is to regard our logic as a Western European culture trait. But this would be tantamount to admitting the impossibility of a universal theory of communication, since its "logic" would always be culturally relative.

GISELA J. HINKLE

University of Maine

WHITE, RALPH K. *Value-Analysis: The Nature and Use of the Method*. Pp. 87. Glen Gardner, N. J.: Libertarian Press, 1951. \$1.00.

This pamphlet manual was written by Ralph K. White, probably best known for his collaboration in the famous Lewin-Lippitt-White studies of authoritarian and democratic leadership situations at the University of Iowa. The publication of this guide was financed by the Society for the Psychological Study of Social Issues.

In this pamphlet the author sets forth a system of content analysis. (Content analysis refers to any research method which attempts to put in some kind of standardized fashion what a given piece of communication says.) The system here proposed involves the use of fifty values as the basic categories. These values are of two kinds—goals and standards of judgment.

Here are ten values which are more or less representative of the fifty: food, sex, friendship, self-regard, beauty, work, morality, manners, intelligence, culture. To analyze a piece of communication one is instructed to make marginal notations, using symbols which the author has prepared. Thus the ten values just listed have the following respective symbols: Fo, Sx, F, Sf, B, W, M, Ma, In, Cu. A quantitative tabulation then should be made of the symbol notations, and finally the results are to be interpreted "in the light of the picture as a whole, with special attention to the person's possible reasons for conscious concealment or unconscious self-deception." A great many illustrations are given to guide the user in the application of the categorization, but no guide is offered to aid in interpreting the results "in the light of the picture as a whole."

There is in the entire social science literature to my knowledge but one other book in print (although another is in press) dealing with the method of content analysis. Yet content analysis is almost certain to be the most important research tool of the social scientist within the next decade. The data of economists, historians, political scientists, social psychologists, case workers, clinical psychologists, anthropologists, and sociologists alike require such a method, since all of these scientists are attempting to make more precise, reliable, comparable, objective, and rigorous their analyses of various kinds of communications. Values, too, are very much the cur-

rent and coming objects of interest and study in the social sciences. There are reported to be no less than five committees at work on the problem of analyzing values, supported or co-ordinated by the Social Science Research Council. It follows, then, that most people interested in any aspect of the social sciences will want to read this pamphlet.

But the uninitiated in either content analysis or in the study of values may get the impression from this pamphlet that content analysis, value analysis, and this particular method are, or at least should be, virtually coterminous. As for the present, there are in actuality a wide variety of specific methods of content analysis ranging all the way from single-symbol count to the gross categorization of very much larger units of communication, together with a variety of weighting schemes. As for the future, the question of the desirability of standardizing content analysis surely hinges on the question of what is to be achieved by making possible the comparability of various kinds of studies—a question that is not discussed in any basic sense in this pamphlet.

And even were we finally to conclude that some standard system of content analysis is desirable, it would still be necessary to demonstrate that this particular system is the one best fitted for this purpose. To answer this question one would have to know how the fifty values central to White's system were derived, and, more importantly, how effectively they would serve as categories in making cross-study comparisons. They seem to this reviewer to be at such a high level of abstraction that they would yield little if any meaningful discriminations.

The answers to the weighty questions of validity and reliability checks are given in this pamphlet not so much in the spirit of scientific inquiry and tentativeness as in the manner of an apodictical fiat. The elaborate system of symbols given in this pamphlet is only one of a variety of ways of handling categorization, and this one has the special drawback of making fairly straightforward analysis seem esoteric or even occult.

White proposes his system both for personality study and for the study of mass communications and public opinion data. Whatever the final verdict on this particular system, it is almost certain that content analysis as a general method will be employed in both these areas and that it will thus be among the several factors instrumental in bringing together in one discipline these now separate branches of social psychology.

MANFORD H. KUHN

University of Iowa

CREMIN, LAWRENCE A. *The American Common School: An Historic Conception*. Pp. xi, 248. New York: Bureau of Publications, Columbia University, 1951. \$3.50.

The American Common School is a significant and scholarly contribution to the history of American education. In his book Lawrence A. Cremin presents the results of extensive research to impress his readers with the fact that our present public schools are the product of certain powerful social and political forces at work during the eighteenth century, that for many years the attitude toward such schools was cautious and controversial, and that accordingly their development was somewhat haphazard and quite slow.

Dr. Cremin pays merited tribute to individuals and groups that paved the way for the common school: men like Thomas Jefferson, Owen the younger, James G. Carter, Horace Mann, and Henry Barnard; and organizations such as the various workingmen's societies, the Free School Society of New York City, and early state boards of education.

Considering the scope of the book, the reader may feel that a disproportionate amount of space is devoted to matters of support and control. The author, for instance, discusses at considerable length the collective tradition which was firmly rooted in New England in contrast with the philanthropic attitude toward education which prevailed in some of the middle and southern states and shows how the so-called collectivistic idea finally triumphed in rate bills, school funds, and final public taxation

for the support of education. The matter of control raises the issues of centralization and decentralization. The author, on the other hand, pays too slight attention to the learning-teaching conditions that prevailed in these early schools.

Throughout the study, the year 1850 is used as a convenient point of reference. By that time, 90 per cent of the total school population in the United States was being educated in "... some kind of public facility." The principle of public control of the common school had become fairly well established. In Massachusetts, for instance, certain institutional patterns had been evolved for the exercise of such control. By mid-nineteenth century a majority of the states boasted some sort of chief state school officer, and every state with the exception of Arkansas had experimented with permissive tax legislation. And finally, throughout the nation, by 1850, the common schools were "... providing students of diverse backgrounds with a minimum common educational experience, involving the intellectual and moral training necessary to the responsible and intelligent exercise of citizenship." This latter aim seems exceedingly timely.

Certain sections of the book seem repetitious, but the topical treatment of the subject necessitates such repetition. The volume is replete with significant excerpts from important sources, and all of the material is very carefully documented. In short, *The American Common School* should serve as a source of information and inspiration for students of the history of education.

QUINCY A. W. ROHRBACH

State Teachers College,
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NATIONAL EDUCATION ASSOCIATION, EDUCATIONAL POLICIES COMMISSION. *Moral and Spiritual Values in the Public Schools*. Pp. x, 100. Washington, 1951. \$1.00.

The publication *Moral and Spiritual Values in the Public Schools* is a thoughtful analysis of the responsibility of the public schools of the nation in the development of self-reliant, humane, and understanding citizens capable of bringing to in-

dividual and world problems of the future a comprehensive measuring stick of moral and spiritual values.

The Educational Policies Commission at the outset affirms its belief that religion is an important element in American life, that it is within the province of the American public school to teach respect for all religious beliefs and to teach objectively, at the pupil's level, about religion without advocating or teaching any religious creed. The Commission states, "Knowledge of religion is essential for a full understanding of our American culture, literature, art, history, and current affairs," but affirms that the public schools must carry out the principle of freedom of religious belief as guaranteed in the Constitution of the United States.

The public school's responsibility for educating the nation's children in social and spiritual values is consistent with this nation's high level of moral responsibility as evidenced by activity in the United Nations, its aid to veterans, its scientific and medical research, the decrease in racial discrimination, and the increase in church membership. Yet, in spite of this high moral level, the fact that the individual is too easily lost in the complexities of industrial and governmental organization, the increase in an individual's leisure time, the changing pattern of home life, and the current conflicts of the world can only mean that a system of functional education must concern itself sincerely with moral and spiritual values.

The chapter on "Values" is the kernel of the publication, and an appreciation of the meaning of this chapter makes the conclusions of the following chapters sound.

The American people in general are agreed on these values: (1) The basic value of the individual personality; (2) each person's moral responsibility for his own conduct; (3) the fact that institutions have no value in themselves but only as they contribute to the moral and spiritual values of human life; (4) common consent, as exemplified in the franchise; (5) devotion to Truth; (6) respect for excellence; (7) moral equality, all persons to be judged by the same moral standards;

(8) belief in brotherhood rather than selfish interests; (9) the pursuit of happiness derived from deep personal resources and affection and respect for others; and (10) emotional and spiritual enrichment derived from experiences which transcend material things.

These values can be taught not as a curriculum subject but in the many experiences which cut through the school day, such as organized subjects of the curriculum, student counseling, hobbies, clubs, sports, and school journeys. Such experiences are suggested and illustrated in the chapter on "Sanctions"; and the following chapter, "Program," outlines a practicable way of dealing with the problem of teaching moral and spiritual values.

The Commission points out that in order to teach these values effectively, the public school needs: (1) teachers who are educated to develop intelligently in their pupils the understanding of moral and spiritual values, and (2) an active, vitalized partnership with the home, the church, the community, and the four great communication agencies—press, radio, motion pictures, and television.

Moral and Spiritual Values in the Public Schools, in my judgment, is an outstanding contribution to our educational philosophy and deserves careful study by all who are interested in the achievement of our political ideals through our educational programs.

FRANCIS B. HAAS

Harrisburg, Pennsylvania

KELLEY, EARL C. *The Workshop Way of Learning*. Pp. xiv, 169. New York: Harper & Brothers, 1951. \$2.75.

The little book is a story of ten years of late-afternoon and evening workshops conducted for teachers in service at Wayne University, Detroit, Michigan. As stated in the second chapter of the book, the purposes of the workshops as they evolved with experience are as follows: (1) to put teachers in situations that will break down the barriers between them so that they can more readily communicate; (2) to give teachers an opportunity for personal growth through accepting and working toward a goal held in common with others; (3) to

give teachers an opportunity to work on the problems that are of direct, current concern to them; (4) to place teachers in a position of responsibility for their own learning; (5) to give teachers experience in a co-operative undertaking; (6) to give teachers an opportunity to learn methods and techniques which they can use in their own classrooms; (7) to give teachers an opportunity, in collaboration with others, to produce materials that will be useful in their teaching; (8) to put teachers in a situation where they will evaluate their own efforts; and (9) to give the teachers an opportunity to improve their own morale.

In Chapter III, in some detail, the procedures of starting and of operating the workshop are described. These involve getting acquainted activities; discovery of interests and needs of the members of the workshop group; and organization of temporary groups including the problem-finding groups. Illustrative of the type of problem usually proposed is a list of those proposed by the planning committees in February 1950. It is interesting to note that these problems do not relate to any particular subjects but crosscut subjects and, in most cases, crosscut grades. Sample problems included human relations, classroom discipline, teaching contemporary affairs, and techniques of guidance.

Chapter IV describes methods of organization involving: the chairman, the recorder, setting up the goals, the work plans, and special reference to group dynamics. In Chapter V, there is discussion of new types of use of resources, emphasizing the use of persons as resources even more than the use of reading materials as resources. Continuing the discussion of procedures, Chapter VI relates to the handling of general sessions of the entire group, and Chapter VII relates to further treatment methods and of ways of getting good work relationships between learners.

Discussion of evaluation in Chapter VIII describes attempts to introduce co-operative self-evaluation and emphasizes opinion rather than any objective means of measurement. Chapter IX discusses outcomes, quotes testimonials of various members of

the workshop groups which seem to indicate good results of the workshop. Chapter X is a brief discussion of unsolved problems or limitations of the workshop approach. There is in the book, also, a discussion of short workshops. There are no bibliographies in the book.

The volume is written from a modern point of view and obviously by an enthusiastic leader in the Wayne Workshop.

HARL R. DOUGLASS

University of Colorado

WOODY, THOMAS. *Liberal Education for Free Men*. Pp. ix, 296. Philadelphia: University of Pennsylvania Press, 1951. \$4.00.

MCGRATH, EARL JAMES. *Education: The Wellspring of Democracy*. Pp. ix, 139. University: University of Alabama Press, 1951. \$2.50.

The social crisis of our time has called forth a number of attempts to formulate a valid pattern of education for free men in a free society. The two books here reviewed, one written by a professor at the University of Pennsylvania and the other by the United States Commissioner of Education, present thoughtful formulations of educational policy for a democratic society.

Professor Woody adopts the historical approach in defining the terms of a liberal education adequate to the requirements of the modern world. The first seven chapters of his book constitute the most thorough and scholarly account of the theory and practice of liberal education known to this reviewer. The great merit of Professor Woody's work lies in the way he relates the varied and changing concepts of liberal education to the changing social contexts in which these concepts took form and operated. Whether dealing with ancient China, Athens, or Rome, or with the Middle Ages, the Renaissance, or the Modern Period in the West he brings a wealth of historical scholarship to the interpretation of the meaning of liberal education.

But, as already indicated, the historical analysis was made in order to lay the base for a valid formulation of education policy in our day. In the final and longest chap-

ter the author brings into focus past experience and present social need in the formulation of what he regards as most essential in a liberal education for free men. This is a book all who are concerned with education policy today should read.

The main body of Commissioner's McGrath's *Education: The Wellspring of Democracy* consists of a number of addresses previously given but thoroughly edited, revised, and integrated for publication in this book. The first five chapters present a review of the most significant recent developments in American education at its several levels—elementary, secondary, and higher.

The book admirably serves two purposes. First, it provides both the lay and professional reader with a brief but critically analytical account of the major developments of American education during the past few decades. Second, and more important, it affords the United States Commissioner of Education the opportunity to present in some detail the changes in educational policy which he regards as urgently needed "if our educational institutions are to meet the challenges of our times."

Some of the proposed policies are already fairly well accepted and are in process of implementation; other proposals will surely meet opposition from various quarters. The proposal for federal aid to education for the support of elementary and secondary education, for school buildings, and for scholarships for poor but deserving college students is not new but of great urgency. Elementary education, the author finds, is moving ahead rather satisfactorily with respect to organization, program, and public relations. The secondary school is still in the process of developing diversified curricula adequate for the needs of all youth. A number of specific proposals are advanced with the view of making both general and vocational education more relevant to the needs of young people and the welfare of society.

The most original and provocative proposals are those relating to colleges and universities. These are severely taken to task for confusing graduate and professional education. These two functions need to be clearly distinguished and a spe-

cific program provided for each. The present programs of the liberal arts college should be transformed from a preparation in advanced or professional study into a genuine liberal education adequate for the needs of life in the modern world. To accomplish this it may be desirable to decentralize our large state universities and encourage the development of small but excellent private colleges.

The last two chapters deal with the relation of education to the conflicting philosophies of democracy and communism and to American foreign policy. The positive values of democracy must be highlighted, and freedom of teaching must unflinchingly be defended. At the same time avowed Communists should not be permitted to teach, and teachers should be willing to sign loyalty oaths if public sentiment requires it. And finally, our schools and colleges, it is urged, should come to grips with the cardinal facts of the international situation which are set forth in some detail.

NEWTON EDWARDS

University of Chicago and
University of Texas

GRAY, JAMES. *The University of Minnesota, 1851-1951*. Pp. xvii, 609. Minneapolis: University of Minnesota Press, 1951. \$3.75.

No brief review can do justice to this warmly human and brilliantly entertaining centennial history of one of our most enterprising, least discriminating, yet magnificently productive universities. Master of the revealing anecdote and the telling phrase, James Gray writes with discernment, engaging humor, and affection. His chronicle is not of buildings but of men and women made vivid by their "foibles, feuds and frustrations" as well as of their vision and accomplishments. The great presidents and seemingly hundreds of individual fellow workers are deftly characterized. More enterprises than most of our Eastern universities have even dreamed of—some of them still born, some instant successes, some going through more changes than a chameleon in the struggle for survival—are faithfully fitted into the evolution of the ever-proliferating whole.

In commissioning this work the University limited it to a single volume to be "readable by any member of the huge university family or its friends." That they got a history no less comprehensive than entertaining is James Gray's miracle.

In frankness it must be added that because of the official insistence on popularity, this volume will be the despair of scholars and future historians. It contains no acknowledgments, no footnotes, no bibliography, no tables or statistics, and by way of documentation only two maps, some good photographs, and a defective index. Because the mood is confident and romantic, the valleys are overlooked for the hills, and even the little hills are treated like mountain tops. Bugles blow and pinwheels are set off for achievements, whether great or small. Brilliant aphorisms rub elbows with meaningless generalizations and slippery distortions. The section on the liberal arts is unfortunately a travesty on the subject.

The glaring inconsistency of high professional standards in some of Minnesota's schools, with admission by certificate and dedication to the service ideal in others, is discreetly smothered.* One learns of the astonishing number of great teachers and distinguished scholars who came to Minnesota but not why so many of them promptly left. The fantastic wastage of faculty energy and public money through the failure of students to finish their courses is hardly considered. And there are other omissions and failures of criticism—some tantalizing to the expert, others damaging to the proportions of the whole.

Yet perhaps in the manufacture of public support nothing will succeed like success. In any case, one cannot ask too much candor of a university which, for all the brave pretendings, still depends on a political constituency. Recognizing what was expected, Gray has celebrated the many things in Minnesota that are fine, and for the rest has made confusion congenial. In the image of his university his book is characteristically and confidently American—a midwest symphony.

GEORGE W. PIERSON

Yale University

PHILOSOPHY AND RELIGION

HAMMOND, MASON. *City-State and World State in Greek and Roman Political Theory Until Augustus*. Pp. 217. Cambridge, Mass.: Harvard University Press, 1951. \$4.00.

The perilous division of the political world today, separated into nationalities that can neither unite nor co-operate, has often recalled to scholars the plight and the fate of the ancient world: a society and an economy that were world-wide (as the civilized world was then known to Europeans), with a political loyalty limited to city-states which at most could form precarious federations, and which were doomed to be absorbed at last by great empires either at the East or the West.

It is this vision of history repeating itself that has provided the occasion for Professor Hammond's study of ancient political theory down to Augustus. His thesis is that the political philosophy of the period was essentially tradition-bound, restricted by the overwhelming authority of Plato and Aristotle. Hence it never succeeded in going beyond the theory of the city-state; it retained as axiomatic the belief that this was the highest form of state or perhaps the only type of true political community. Thus it failed to create the conception and the moral justification of a larger and less intimate kind of association, which was in fact the only kind of political community that was viable under the circumstances.

The book is written in the light of Professor Hammond's conviction that, for modern students, the principal value of ancient politics lies less in its achievements than "in its intellectual inability to escape from a dominant concept and to find a theoretical basis for the world state which had in practice become the necessary form of political organization" (p. 2). This purpose the book admirably fulfills.

The substance of the book was first given as six lectures under the auspices of the Lowell Institute in 1948; it is here rewritten in twelve chapters. The material presented is a judicious combination of political theory and political or constitutional

history, the latter presented to cast light upon the former.

The first four chapters have to do with the Greek world, particularly with Plato and Aristotle as the philosophers of the city-state and the creators of what Professor Hammond calls "the orthodox theory of the mixed constitution," with the leagues, and with the abortive efforts to find a theory that would explain and justify the Hellenistic monarchies. Two chapters deal with the early development of the Roman constitution and with Polybius's adaptation of the theory of the cycle and of the mixed state to Roman history. The remaining six chapters center about Cicero as the only Roman who sought to produce a reasoned theory of the state: the condition of Roman politics in his time, his political career and political purposes, the downfall of the republic, and the problematic adoption by Augustus of Cicero's conception of the *princeps*, or leading citizen, who may become the *moderator rei publicae*. Throughout Professor Hammond understands by "political theory" an overt intellectual or philosophical effort, as distinct from "political thought," which may refer to ideas inherent in institutions and government without gaining self-conscious theoretical expression.

Professor Hammond's account concerning Cicero shows clearly that his theory was self-consistent in the sense that it embodied the program which in his political career he tried to realize. It gives perhaps a higher estimate of Cicero's originality in comparison with his Stoic sources than will be generally accepted, but it agrees that he failed to see beyond the traditional ideas which he derived from Greek thought and also that he failed in his declared purpose to restate these ideas in the light of Roman history. The intellectual failure was at bottom a failure of imagination or of vision, as Professor Hammond says—a failure to realize that provincials must be included as citizens in the larger Roman state and that a citizenship already extended to all Italy was no longer merely Roman.

Perhaps Cicero's failure in this regard may suggest a query, philosophical rather

than historical, about Professor Hammond's distinction between political theory and political thought. Could a thinker, by sheer theorizing, have envisaged a sense of national or imperial unity that did not exist in the ideology or sentiments of the society in which he lived? GEORGE H. SABINE
Cornell University

MUZZEY, DAVID SAVILLE. *Ethics as a Religion*. Pp. x, 273. New York: Simon and Shuster, 1951. \$2.75.

NEUMANN, HENRY. *Spokesmen for Ethical Religion*. Pp. xvii, 173. Boston: The Beacon Press, 1951. \$2.00.

These two volumes appeared in time to commemorate the seventy-fifth anniversary this spring of the establishment of the New York Society for Ethical Culture by Dr. Felix Adler. Since that significant event in the evolution of religion, the Ethical Culture movement has developed, albeit very slowly, but its influence has been quite disproportionate to its numbers. Unlike an evangelical sect such as the Oxford Group Movement, the Ethical Culture Society has stressed good works, especially social reconstruction, to such a degree that major social achievements in American social reform may be attributed to it, directly or indirectly.

The two books under discussion are by partisans of the movement and aim to provide a history of their fellowship and an enhanced appreciation of its doctrines. Dr. Neumann, leader of the Brooklyn Ethical Culture Society, is particularly concerned with the life and works of the spokesmen of the Society in the United States and abroad. He furnishes a useful summary of Adler's achievements as a preacher, prophet, and educator, emphasizing the contribution of the Ethical Culture schools to progressive education in America. He recites also the impressive record of Adler as a social reformer who helped awaken the conscience of America to the evils of child labor and stimulated advance in the settlement movement, visiting nursing service, vocational training for women, arbitration of labor disputes, and progressive trade unionism.

Dr. Neumann's review of Adler's religious and social achievement is followed

by an account of the most important American and European epigoni of Ethical Culture. In this section, incidentally, he modestly omits mention of his own long and effective service as leader of the Brooklyn Ethical Culture Society. Finally the volume contains a brief survey of the salient ideas of the Ethical Culture fellowship and a reading list.

In his *Ethics as a Religion*, Professor Muzzey, a leader emeritus of the Society for Ethical Culture, has written a tract for the times, containing a lucid exposition of the tenets of ethical religion and its enduring values. Rejecting such traditionalistic theologoumena as God's arbitrariness and man's corruption, and affirming the vitality of prophetic religion, he expounds the humanistic position that man's conscience is the seat of authority in ethical religion and that the potentialities for good latent in human nature and intelligence augur well for the attainment of the good life.

Answering certain charges that have been made against the Ethical Culture fellowship, he defends its major principles: recognition of a universal moral law; the fulfilment of that law in human relationships; the infinite worth of the induplicable individual; the mutual elicitation of the best in others and so in ourselves as the rule of conduct.

He expresses a calm optimism about the inevitable progress of his sect, secure in the conviction that ethical religion will eventually displace those types of religiosity which have assigned prime emphasis to the confession of creeds or the performance of rituals. His confidence is based on the view that ethical religion is the only type that comports wholly with a democratic form of society; that unlike traditional dogmas its spirit and deliverances are least likely to be threatened by subsequent revelations of science; and that only this species of religion, which eliminates the divisive elements of ritual and creed, can unite men of all races and groups despite their diversities.

These books are eloquent testimonies to the continuing attraction for the illuminati of an ethical universalist religion which rejects the tenets of an absolutistic God, of divine revelation, of authoritative scrip-

tures, and of a traditionalistic eschatology with its system of rewards and punishments. Significant as the apologia of men struggling to achieve a *Religion innerhalb der reinen Vernunft*, these works evince a faith in reason and man's perfectibility worthy of the best of the *Aufklärung*.

But the failure to apply a sociological perspective prevents the authors from interpreting correctly the reasons for the slow growth of their fellowship and their estimating aright its potentialities in tomorrow's world. For Ethical Culture is a *sect*—with the sociological differentia of such a group formation, such as uncompromising demands on the devotees, tensions with existing churches, and limited appeal. Its distinctive ideology, appropriate to the class, education, and the life standards and expectations of its membership, has been much influenced by the Jewish provenience of many of its members and the neo-Kantian idealism regnant at the time of the sect's crystallization. Of course Ethical Culture has its points of contact with earlier reformist and rationalist heresies in the Judaeo-Christian tradition and indeed with various syncretistic and universalizing movements in other world religions. Yet the derivation of its original membership and the orientation of the sect to a rationalist, utopian-socialist ideology may account, in part, for the slow growth of this movement.

But this is not to deny the significance and value of this ethicizing reformist movement within Judaism and Christianity. For Ethical Culture is probably the most serious effort to transplant to American soil in an organized fashion the Saint Simonian and Comtean notions of a religion of humanity without any of their vagaries. Perhaps its greatest usefulness has been its generation of a "contrast conception," stimulating some of the established world religions to react defensively by renewed attention to their moral responsibilities. It is impossible to overestimate the influence exerted by this comparatively small universalist sect in catalyzing the social gospel and in general advancing the ethicization of the major churches.

EPHRAIM FISCHOFF
American International College

CLARK, WALTER HOUSTON. *The Oxford Group: Its History and Significance*. Pp. 268. New York: Bookman Associates, 1951. \$3.50.

While it is extremely difficult to assess the significance of a current religious movement, Dr. Clark, associate professor of psychology and education at Middlebury College, has turned in a successful performance in measuring the velocity of the Oxford Group Movement. Here is a revised form of a doctoral dissertation at Harvard, with little of the pedestrianism native to most dissertations, written with much of the acumen of an experienced educational observer.

Dr. Clark presents some conclusions drawn partly from some slight first-hand contact with the movement but more particularly from a close scrutiny of fifty-five case studies drawn from participants in the movement. The latter were active for the most part about twenty-five years ago so that their relation to the movement has been at sufficient distance to allow perspective for its significance. A history of the movement, its religious origins, the character of its redoubtable leader, Frank Buchman, and its effects both good and bad, are marshaled for us.

This evangelistic movement represents American pietism that flowered first in eastern colleges, then spread, after its practical expulsion from Princeton University, to various extramural centers. With its use of the "houseparty," stress on interesting "key people," and its genius for publicity, it moved into many wealthy circles. In spite of an effort to reach laboring groups, it has remained an upper-middle-class movement (p. 86). Americans may feel a bit piqued that it borrowed the name "Oxford Group Movement," to exploit the prestige of that ancient institution while some Oxford students were prominent in it, though the movement originated in this country. The transition from its first informal and inconspicuous activity to the recent ostentatious conclaves of the Moral Rearmament Movement that have had as many as 30,000 attendants at one time shows the rise in its attraction of public attention, but it also shows a decline in its most peculiar genius for vitalizing religious

interest—the person-to-person contact in informal conference.

Dr. Clark's conclusion that the Oxford Group Movement "has been the most vital religious movement of our day" (p. 92) will prove dismaying to many readers, for he has been able to unearth so few cases of participants who have had no ill effects from their affiliation with the movement (cf. pp. 187, 205, 217, and 221). He found several who believed they had been adversely affected by being emotionally upset, or made unreliable by a forced reliance on "guidance," by undue attention to sex, or by their failure to find a carry-over into social action for the sensitiveness to moral "absolutes" aroused by Buchman and his associates. Many others were harmed somewhat by this "soul-surgery," though the positive results were greater than the negative.

This book, like the movement it reports, raises the problem once more of the proper balance between emotion and intellect in religion. While practically all the cases reported showed no influence of the movement on the intellectual outlook of the person studied (and many criticized it for that), some of the cases do show that the movement did break through to the will of the participant. The intellectualism of modern formalized religion as found in the average "liberal" church may meet here its most serious challenger. Christianity has over and over outrun its intellectual forms and patterns of worship. But it has also repeatedly come up with emotional outbursts that advanced the faith but little, to say nothing of often maiming its normal functions.

Buchman's famous statement that he thanked God for Hitler, since the latter was a defense against communism and a potential "key-man" for evangelism in Germany, shocked many. But it showed an intrepid effort to find new people, new names, new methods, and new motives to release the resources of the Christian faith. The failure of the Oxford Group Movement to realize that social and political organizations affect the spiritual life of men as much as their "personal" attitudes, will dismay readers of this journal. Yet its

stress on "group-guidance" may be of value in solving racial, labor, and political problems, even as it already has helped deal with alcoholism in the form of "Alcoholics Anonymous."

LOUIS WILLIAM NORRIS

DePauw University

BLANSHARD, PAUL. *Communism, Democracy, and Catholic Power*. Pp. x, 340. Boston: The Beacon Press, 1951. \$3.50.

In an age where religious intolerance (among other forms of injustice) is loudly deplored and widely practiced the world over, and in this our land where racial disfranchisement has been mutely accepted by many churches, this book may give rise to the undeserved *cui bono*. But the objectivity of the author and his obvious sincerity offer here a clarification—one more explanation as to what intellectual climate is fundamentally anti-democratic.

Such a subject as this investigation into the functioning of two authoritarian systems (Communism from the Kremlin, Catholicism from the Vatican), with democracy caught in the middle, could have easily deteriorated into an emotionalized harangue of pseudointellectual gibberish such as one hears so often in political speeches and reads in numberless tracts. The power of scholarly documentation, the restraint in presentation, the logic of analysis goes beyond anything yet written of Communism and—as far as I am aware—of Catholic secularism, with the exception of Blanshard's own previous book *American Freedom and Catholic Power* (1949). This then demands the attention and thorough examination of all those who are basically concerned with the future of freedom.

At no time does the author attack Catholic faith or creed or ritual. It is Catholicism as a spiritual power controlling secular fields with dogmatic one-sidedness at which Blanshard points his guns. Education has been considered a weapon for many centuries; the Greeks and even a Napoleon knew that the education of the youth would shape the future of the nation. What the Kremlin has done to education is, in the author's exposition, no worse—even if in opposite direction—than

what the Vatican has done; in both systems parents as against their priests. (or Soviet bureaucrats) have no rights over the education of their children. There follow pages of study and research, meticulous scholarship based on recognized source material. At no time does the author hesitate to point up the similarities between the two systems: the very structure of their power, their methods of thought control, their disciplinary devotion to cause, their management of truth, and their strategy of penetration. Both, we are told, have supreme heads neither of whom permits any opposition inside his organization; neither makes any claim to personal infallibility; yet both have the power to determine what is right and wrong; and both men "are primary objects of continuous and contrived adulation. . . . Admiration for both leaders shades into veneration, and veneration into worship."

Here perhaps is the key to Blanshard's treatise: he considers that political Communism is dabbling in spiritual realms, while spiritual Catholicism is exercising political—that is, temporal—management. Coming from opposite directions, but based on similar plans for conquest of mind, we are told, they meet and by necessity clash. It is Blanshard's concern what happens to American democracy in this clash. He offers an American answer, which is admittedly weak, but it begins with suggestions: (1) that the Vatican cancel for the United States its rule against Catholic attendance at public schools; (2) that the Vatican grant to all Catholic Americans the moral right to study both sides of every social question, including material critical of Catholic policy; and (3) that the Vatican recognize American marriage and divorce as valid. The strength of purely Catholic influence becomes very apparent when reading in sequence the details of the Mrs. Roosevelt-Cardinal Spellman controversy about federal funds for public and/or parochial schools, and it is alarming to read Blanshard's exposition of how publications here are under dictate from the Vatican.

Needless to say, this book will irritate the clergy no less than the Communists; it

will furthermore embarrass a good many thinking people who do not like to face facts. It must be remembered that it was the same author who published in *The Nation* several articles regarding Catholic secular rulings which exploded into quite a hue and cry and resulted in the banning of the publication in some places; but there has not yet been a denial of the statements as untruthful. Fundamentally, here are things which go beyond the matter of personal conscience and pure religion. This is by no means a controversy which can be taken lightly, but it does seem clear that all the truth is not known yet to man and that authoritarianism of any shape and in any form is not the ideal solution to man's eternal problems.

BORIS ERICH NELSON

Hampton Institute

NICHOLS, JAMES HASTINGS. *Democracy and the Churches*. Pp. 298. Philadelphia: The Westminster Press, 1951. \$4.50.

All the trivial errors one might normally point out in so comprehensive a book fade away into insignificance when weighed against the seriousness of the contents of this book and the magnificent courage of the author, his publishers, and the sponsorship of the Committee on Religious Tolerance of the Federal Council, which compares so favorably with the appeasement practiced by some of the local Federation secretaries.

The Protestant ground of the study has been frequently traversed. To the discussion of the Social Gospel one is tempted to add many observations. Almost two-thirds of the volume is devoted to the post-1865 period, and almost half of the entire volume rotates around an analysis and interpretation of political Roman Catholicism. Here is a real contribution to an awareness necessary in Europe and the United States if democracy of the American pattern is not to disappear because of the lack of historical perspective on the part of so many of our political leaders.

Hence, we turn at once to the heart of the matter in Chapters VI and VII—an amazing summary of what has occurred be-

hind the Vatican veil during the last seven decades. We know of no 78 pages in any book on church history that begin to rival this narrative. The reader will not fall asleep reading it. Nichols quotes from Czacki: "we condemn the separation of the church and the State, but we are running the risk of separating the church from society" (p. 134). Quoting from an unmentioned source, Nichols writes that "the example of Belgium proved that in a Catholic and religious country, the clergy succeed, at the end of a longer or shorter time, in controlling elections and consequently the government also" (p. 147). Then from Catholic Christopher Dawson, the author quotes that "there seems no doubt that the Catholic social ideals set forth in the encyclicals of Leo XIII and Pius XI have far more affinity with those of Fascism than with those of either Liberalism or Socialism . . ." (p. 210); and from Coudenhove-Kalergi "democracy lays its stress on personal conscience, Fascism on authority and obedience" (p. 211).

He makes his own sobering, serious, and ominous conclusions, such as: "Catholic democracy must henceforth mean simply 'Catholics devoted to the amelioration of the working classes'" (p. 165); "we shall find, with few exceptions a consistent collaboration of Roman Catholicism and especially the Vatican with Fascism and Nazism against democracy" (p. 178); "in 1921, the *Civiltà cattolica* had been able to find nothing to choose between Mussolini and Communism" (p. 181); and "the Catholic press in Britain and America, as usual, was the center of the attempt to mobilize opinion in the democratic countries against international law and democracy" (p. 188). He sets forth a thoroughly honest description of the machinations of Brüning (p. 191 ff.): "for the fourth time in a century the papacy had authoritatively and devastatingly liquidated Catholic democracy" (p. 194); he describes Catholicism's betrayal of Austria (p. 195): "virtually every Fascist revolution of the next decade was to fly the flag of *Quadragesimo Anno* and its corporative state" (p. 197), and he states "the complete Church Catechism issued in 1927 taught that liberty of conscience, of

assembly, of education, was heretical . . ." (p. 203).

He reaches his final verdict with the following: "In the midst of the present Roman Catholic crusade against Communism the fact that, politically speaking, this is a family row, should not be obscured. Communists can come to an understanding with Roman Catholicism far more readily than they can with Puritan Protestantism. Pius XI made repeated efforts to come to such an agreement with Moscow. The nightmare that haunted Dostoevsky cannot be wholly exorcised. Natural affinity may yet one day unite these two most deadly enemies of man's freedom" (p. 211).

CONRAD H. MOEHLMAN

Dallas, Texas

GOODE, WILLIAM J. *Religion Among the Primitives*. With an Introduction by Kingsley Davis. Pp. x, 321. Glencoe, Ill.: The Free Press, 1951. \$5.00.

The aim and content of the book are more restricted than the title suggests.

There is some discussion of religion in general among primitive peoples, but the main portion of the book is an analysis of religion and related activities and concepts in five selected tribes, namely, the Murngin of northern Australia; the Manus of the Admiralty Islands; the people of Tikopia, a Polynesian island; the Zuni in the southwest United States; and the Dahomans on the west coast of Africa. After an analysis of the structure of the religious systems in these tribes the author devotes successive chapters to an account of the interrelations of religion with economic action, political action, and family. Each area is treated under these rubrics.

The thesis is: The religious life and religious concepts are not isolated phases of the culture of a people, but they penetrate the culture in every direction. Hence to understand the social implications one must view the beliefs and practices as they intertwine with other phases of the life of the people. The study is, however, comparative in so far as there is treatment of these five culture groups which are rather far removed from one another in character as well as in space.

Two extensive appendixes deal with the connotations commonly found or sought in a study of primitive religion and, briefly, with a history of the interpretations given by a few early and outstanding students of the phenomena. The author's general criticism of most of these is that they are individualistic and rational in approach, rather than sociological—Durkheim, of course, being an exception.

The material is well documented, and there is a fairly extensive bibliography.

WILSON D. WALLIS

University of Minnesota

COMMONWEALTH OF NATIONS

RUSSELL, BERTRAND, JOHN LEHMANN, SEAN O'FAOLAIN, J. E. MORPURGO, MARTIN COOPER, and PERRY MILLER. *The Impact of America on European Culture*. Pp. 100. Boston: The Beacon Press, 1951. \$1.75.

It is rash to deal with so vast a subject in less than one hundred pages of text, still more rash when six authors are concerned, still more rash when the contributions are broadcast talks. Yet, despite the natural fears that such a project provokes, the experiment is a success. None of the talks is dull, even though they necessarily show some of the weaknesses of reprinted talks; none is silly; and none is merely platitudinous. The most lively is, naturally, that provided by the sprightly Bertrand Russell who manages to express both his dislike of some aspects of American culture and his acceptance of the beneficence of its general influence, without giving grounds for mere complacency or mere irritation in his European or American listeners.

The American, unlike the European in the Hebraic-Hellenic tradition, is not reduced to passive acceptance of the cosmic status quo by the sight of the stars in their courses. He is ready to measure them, but rather in the spirit of Leopardi's shepherd who wondered not only about himself, but about the moon, "a che vale . . . la vostra vita a voi." But the American doesn't really care to stay for an answer. He has the earth to change, not to accept,

and he will bombard the moon when he thinks it appropriate.

It is a long time since it was said that "no man who has been born in Boston thinks he needs to be born again," and this this-worldly attitude has Bertrand Russell's warm approval, even if he has pragmatic doubts about the value of pragmatism.

Mr. Sean O'Faolain speaks for the great mass of immigrant groups who, deeply Americanized in fact, warm their hearts with a less and less realistic picture of "the ould sod." But as Professor Perry Miller points out, Mr. O'Faolain greatly exaggerates the conservatism of the American Irish who are, in any case, not best observed from Boston. And it might be said that the great Boston-Irish festival is not Bunker Hill but Evacuation Day, for, by divine interposition, the British left Boston for good and all on March 17, 1776.

The most novel contribution is the highly technical discussion of the influence of American music, orchestral methods, and taste on Europe. One of Mr. Cooper's paragraphs might have been written with the recent Hollywood career of Mr. Mario Lanza in mind, rather than that of Mr. Poleri, and it might be noted that some modern American musicals are, deliberately, in a new national tradition that may be as long-lived and as valuable, at any rate inside America, as that represented by *The Merry Widow*, *Les Cloches de Corneville*, or even that indigenous English opus, *The Geisha*.

The influences of literature and of the movies are more conventional subjects though they are freshly handled by Mr. Lehmann and Mr. Morpurgo. However, Mr. T. S. Eliot is not an expatriate from "the eastern American seaboard," but rather from the very heart of America—from Saint Louis. True, he went to Harvard, but he also went to Oxford, and in many opinions he has been Europe's greatest poet "not since the death of Paul Valéry" but since the death of W. B. Yeats. Mr. Morpurgo is hard on Hollywood, too hard, since he does not accept the social function of amusement as warmly as I do, for instance.

To these verdicts, Professor Perry Miller adds a lively but good tempered corrective and, faced with the crimes or weaknesses of American movies or novels or music, does not fall back, as he might, on the patristic tag *Securus judicat orbis terrarum* or "try to get a ticket for the London production of *South Pacific*."

D. W. BROGAN

Cambridge, England

LEWIS, W. ARTHUR. *The Principles of Economic Planning*. Pp. 128. Washington: Public Affairs Press, 1951. \$2.50 cloth; \$2.00 card.

This excellent little book was written for the Fabian Society. Nevertheless, it contains much open and implied criticism of the Labor party's economic policy in Britain.

I know of no better, clearer, more forthright discussion of economic planning. The book is easier to understand than Meade's *Planning and the Price Mechanism* and more consistent and instructive than Harrod's *Are These Hardships Necessary?* The argument is cogent. After rejecting both laissez-faire and complete planning by direction, Professor Lewis argues in favor of planning "through the market." This implies monetary and fiscal policies which help maintain a high employment level without inflation and deflation and an allocation of loanable funds through interest rates rather than through the cumbersome method of licensing. Nationalization of industry is not a prerequisite of planning, but it may be advisable to nationalize an industry where efficiency depends on unitary control. Lewis's conclusions concerning commercial policies are compatible with our own aims, but they contain understandable reservations in case of unemployment in the United States.

Lewis is critical of the job which the Labor party has done. Economic planning in Britain has not succeeded in properly allocating the factors of production to the different industries and thus has been partly to blame also for the dollar shortage (the book was written before the devaluation of the pound); planning relied too much on exhortation; it was inflationary and yet it

tried to maintain the external value of the pound with rather disastrous consequences.

This book belongs to an as yet small body of literature on pricing and planning which, it is to be hoped, will in due time aid us in perfecting the analytical tools on which "planning through the market" will depend. Whether in England or in the United States, it will be a major task for future economists to design the institutions and methods for such planning, which will free us from the inconsistent application of direct controls. These direct controls multiply by chain reaction and do clumsily what the pricing process can accomplish with far greater ease and efficiency. Into the art of this type of planning through monetary and fiscal policies, which may eventually resolve the conflict between capitalism and socialism, there is, at present, to my knowledge no better introduction available than this admirable little book.

GEORGE N. HALM

Fletcher School of Law and Diplomacy

MELLOR, ANDREW. *India Since Partition*. Pp. viii, 156. New York: Frederick A. Praeger, Inc., 1951. \$2.50.

Developments in India since the fateful day of independence and partition have been crowded and complex. There are many questions to raise such as what caused the Kashmir controversy, what has happened to the native states and their rajahs, and how to account for the tragic assassination of Gandhi in a country presumably dedicated to the doctrine of non-violence. One also asks what kind of a Constitution have Nehru and his colleagues drawn up and why the economic situation has been so critical in India since 1947.

Relatively few books have been written answering these questions. *India Since Partition* is one of them, but it is so brief and summary that only the barest outline of postindependence events is presented. Still, succinct as it is, it does give an accurate, factual, and convenient outline of Indian developments since 1947. The background of partition is first sketched, stressing the basic differences between the Moslem and Hindu communities. This is followed by a brief account of political de-

velopments from the closing decades of the nineteenth century to just after the conclusion of World War II. Rightly, attention is given to the critical period in the spring of 1947 when Lord Mountbatten, the Viceroy, realizing the impossibility of composing Hindu-Moslem differences, drew up the British plan for transference of power to Indian hands and with it a scheme for partition.

Following this brief account of partition the author turns to the lamentable story of the massacres and riot that descended upon the Punjab in the fall of 1947 and describes the origin and course of the quarrel between Pakistan and India over the status of the two native states, Junagadh and Kashmir. Some attention is also given to the manner in which the bewildering mosaic of native states was broken down and absorbed into the structure of a modern and democratic Indian state. The special case of Hyderabad is explained with its ruler's failure to maintain his independence and remain outside the sovereignty of the new India.

In summary fashion a number of equally important topics are discussed including the assassination of Mohandas Gandhi, features of the new Indian Constitution, economic developments relating to shortages of such key raw materials as jute and sugar, the problem of the balance of payments, the menace of inflation, the huge defense expenditure necessitated by the undeclared war in Kashmir, and the failure of the new government to obtain foreign capital. The closing pages of this brief survey touch lightly upon the problem of Communism, the alarming activities of the reactionary, proto-Fascist organization known as the R.S.S., and India's objective in foreign affairs.

While a convenient outline, this study has no penetrating analysis of Indian developments since 1947. There is no realistic estimate of the new Constitution; the problem of population pressure is barely mentioned; no attempt is made to assess the role of Gandhi; and too little is said about inconsistencies in Indian foreign policy, especially in the case of Kashmir.

T. WALTER WALLBANK

University of Southern California

SLAVIC COUNTRIES

SUMNER, B. H. *Peter the Great and the Emergence of Russia*. In the "Teach Yourself History" series edited by A. L. Rowse. Pp. viii, 216. New York: The Macmillan Company, 1951. \$2.00.

"There is no end to what we can learn from history, if only we would, for it is coterminous with life," writes A. L. Rowse in his introduction to the book. Indeed, "if only we would," much could be learned from such excellent studies as the one of B. H. Sumner. In these days when so many feeble hands endeavor to pull too big bows it is most gratifying to come across such a work. Despite its brevity the work is of considerable stature in scholarship and interpretive skill.

With assurance backed by genuine scholarship the author incorporates what has been proved authentic and brushes aside historical fiction. Thus, Peter's testament, the spurious but tempting document, Professor Sumner dismisses as a "much-exaggerated, and in part fantastic diatribe against Russian foreign policy in the eighteenth century." The common tendency of presenting Peter as the "barbarian Czar" is not to be found in this study; here one discovers an intelligent approach and keen appreciation of the Muscovite sovereign in the light of the rising "needs and aspirations growing within Muscovite society in the late seventeenth century." It is within this frame that the author successfully draws a sound account of a most exhilarating chapter in Russian history.

With brief and bold strokes Professor Sumner presents the swiftly moving drama of Peter's reign, the military campaigns in the South and in the North, his administrative reforms, the transformation of the church into a state-serving agency, the social and economic changes during the turbulent period following Peter's reign, winding up with a general evaluation of the first Russian emperor who was instrumental in setting Muscovite Russia on the road to Imperial Russia.

When on February 8, 1725 Peter passed away only Frederick William of Prussia lamented over the loss of his "dearest friend," while all other courts in western

Europe sighed with relief and rejoiced over the bright prospect of no longer being disturbed by the "northern Turk," who had caused the disruption of the European balance of power. The current speculations about a brighter outlook "after Stalin goes" strongly suggest some interesting historical parallels.

But the legacy of Peter could not be spunged out so easily. Much of what had happened immediately after Peter's death could serve as an excellent lesson to many students and writers of history. For instance, Great Britain's refusal to recognize Russian establishment on the Baltic only aided Britain's trade rivals, Holland and Prussia. Belatedly London accepted the accomplished fact, and only then did the two countries enter into mutually profitable trade relations. Peter also initiated the general European campaign against Turkey in the West which though unwittingly and inconsistently was followed until the First World War.

As to Peter's legacy in domestic affairs, I may cite only one appropriate passage from Professor Sumner's book. When Peter's political opponents questioned the wisdom of the establishment of the Academy of Sciences in Russia, reasoning that the appalling rate of illiteracy made such an institution senseless (as some present-day critics argue against Soviet industrialization of the country), the reply of Peter was: "I have to harvest big stocks, but I have no mill; and there is not enough water close by to build a water mill; but there is water enough at a distance; only I shall have no time to make a canal, for the length of my life is uncertain, and therefore I am building the mill first and have only given orders for the canal to be begun, which will the better force my successors to bring water to the completed mill." If only we could learn from history and realize the projection of Russia's past into the present!

ANATOLE G. MAZOUR

Stanford University

SCHWARTZ, HARRY. *Russia's Soviet Economy*. Pp. xxvi, 592. New York: Prentice-Hall, 1951. \$6.65.

During the third of a century which has elapsed since the coming to power of Com-

munist in Russia, the economy of the Union of Soviet Socialist Republics has been widely regarded in the West, particularly since 1928 either as a working blueprint for the building of Utopia or as the most monstrous system of organized slavery ever to disgrace the human race. In view of the heat generated by the disputations, it might have been expected that numerous scholars would endeavor to supply light by preparing comprehensive treatises on Soviet business institutions and practices. However, aside from the Webbs' massive apologia of 1936, only three such works of major scope have appeared in English: Alexander Baykov's *The Development of the Soviet Economic System* (Macmillan, 1946)—neutral, unexciting, but valuable for abundant factual data; Maurice Dobb's *Soviet Economic Development Since 1917* (International Publishers, 1949—Schwartz cites only the English edition)—readable, dynamic, informative, and pro-Soviet; and now the present work.

The author worked in the Division of U.S.S.R. Intelligence in the Office of Strategic Services, as well as in the State Department, and is currently associate professor of Economics in the Maxwell School of Citizenship at Syracuse and a regular contributor to the *New York Times*. This is a careful, solid, up-to-date attempt by an industrious and scrupulous scholar to present the basic data of the origins, motivations, evolution, consequences, and probable prospects of the totalitarian "co-operative commonwealth," which, in Stalinist theology, is supposed to constitute "socialism" on its way toward becoming "communism." There are 15 fact-filled chapters, 7 maps, 6 charts, and 65 tables. The bibliography, albeit confined to footnotes, is extensive and excellent. The index is serviceable, the style readable, and the interpretations on the whole judicious and illuminating, though somewhat lacking in broader historical perspectives and, by the nature of the subject matter, open to controversy on numerous points.

Since no summary is possible of so vast an array of material, the reader must read or at least consult the book if he would get the full sweep and rich details of the Schwartz panorama of Soviet economic in-

stitutions. The work is not at all dry-as-dust à la Baykov. It is not dedicated to demonstrating, à la Dobb, that the Soviet economy is a Good Thing. Quite the contrary. Although forced labor receives only five cautious pages, Professor Schwartz is at pains to document the poverty of the proletariat, the repression of the peasantry, the appalling housing conditions, and the constant sacrifice of consumption to capital goods and the military establishment.

He is not so vehement in his indignation as is William Henry Chamberlin who says in the foreword that "the author offers convincing proof that Soviet figures . . . are in some cases falsified"; the author in his preface says he believes "Soviet statistics to be basically accurate in the overwhelming majority of cases." Schwartz finds the Soviet economy "integrated and viable," and marked by solid "accomplishments" and "major and revolutionary achievements" (p. 531). But this is "a military feudal economy based upon industry," enjoying stability only because of "Draconian measures" and the "repressive forces" of the police state (p. 542), which make the miserable Soviet masses, potentially "our most valuable ally," the victims of a "colossal deception" (p. 565).

Here then is a work which proves that the Soviet economy is a Bad Thing and that the author is on the right side of the Holy War for freedom. In all wars, especially those of the "cold" variety, one should know one's enemy. Harry Schwartz has made a valuable contribution to such knowledge. **FREDERICK L. SCHUMAN**

Williams College

SCHWARZ, SOLOMON M. *The Jews in the Soviet Union*. Foreword by Alvin Johnson. Pp. xviii, 380. Syracuse: Syracuse University Press, 1951. \$5.00.

The Soviet state has never made it easy to discuss its internal history. Undertaking to write such a history at the request of the American Jewish Committee, Dr. Schwarz admits that "getting at the truth" of what happened in connection with the Jews of the Soviet Union "requires an intricate process of reconstruction from fragmentary data and indirect clues." An official of the short-lived democratic Keren-

sky government, he has been a careful student of Russian affairs and has followed the changes in Bolshevik policy and principle both before and since their assumption of power. The text contains numerous quotations from speeches and state and party documents, while the notes refer to whatever source material is available.

The first, and larger, part of the volume deals primarily with the problems of Jewish cultural survival. A stand on this subject was taken by the Bolshevik segment of the revolutionary party in 1903, long before it came to power. Lenin early showed himself inimical to all nationalism, unless based on contiguous territory. When the Bolshevik group attained power in 1917, compromise appeared necessary and was made on the basis of language, which, for the Jews, meant Yiddish. No one was more zealous to destroy every other basis of Jewish unity than the small group of Jewish sections. In the name of reconstituting a basis for Jewish autonomy, attempts were made to settle Jews on farmlands in the Crimea and the Ukraine and, when these apparently failed, in the Birobidzhan territory of Siberia.

It becomes clear that these efforts were motivated far less by interest in Jewish survival than by the needs of the Soviet state. In the end, that is, at the present time, there is a reversion to the original stand which is impatient with anything short of complete assimilation (incidentally, not for the Jews alone, but for all minority groups). The Jewish institutions, newspapers, books, and the like, which gave such promising signs of vitality in the late 1920's and early 1930's, have all but disappeared. Along with them have vanished their Jewish protagonists and a substantial number of the Jewish population. The 3,100,000 Jews which are presumed to have been part of the Russian population in 1939, and which had grown to about 5,000,000 after the annexations of 1939 and 1940, have now apparently been reduced to some 1,800,000.

This reduction would seem to refute the claims that the Soviet armies had saved substantial numbers of Jews threatened by the Nazi invasion. A considerable number may, to be sure, already have become so

thoroughly assimilated as to be no longer distinguishable as Jews. The process of industrialization in the several five-year plans and the movement away from the market towns of White Russia and the neighboring districts had that effect. But this process cannot account for a loss so tremendous, and only outright destruction can explain the rest. The Soviet government has maintained official silence on the subject, while the claims of pro-Soviet propagandists must be balanced against the reports of men and women who have made their way out of the country.

Equally disillusioning is the evidence that anti-Semitism is still a serious problem in the Soviet state. This is the subject of the second, smaller part of the volume. The Bolsheviks began by outlawing it. But when the civil wars were over, anti-Semitism reared its head again, especially in the newly industrialized districts where ex-peasant and ex-bourgeois Jew competed for a place in the new society. The Communist Party's efforts to uproot it were half-hearted and, in this respect, the government proved inefficient. Dr. Schwarz charges, moreover, that the Soviet government did nothing to strike back at Nazi propaganda about the Jews. The last may be a bit unfair, since the Western powers also fell into the Nazi trap and were afraid of the devilish Nazi accusation that the war was being fought on behalf of the Jews. But that no attempt was made to counter anti-Semitism after the war and that government organs have on occasions displayed this unsavory attitude contradicts every item about a brave new world which has come from behind the frontiers of Communism.

There is truth in the belief that its treatment of the Jewish minority is a test of a nation's civilization. This volume reveals much about the Jews of Russia, and even more about the Soviet Union itself.

SOLOMON GRAYZEL

Philadelphia, Pennsylvania

KORBEL, JOSEF. *Tito's Communism*. Pp. viii, 368. Denver: University of Denver Press, 1951. \$4.00.

The author lived in Yugoslavia for two years before World War II, and again

after the war he was Czechoslovak Ambassador to Yugoslavia from 1945 to 1948. The book is an attempt "to describe the life of the Yugoslav people under communism, the practices of the communist government of Marshall Tito in the fields of internal and external politics, economics, and culture."

This attempt "to describe" unfolds with intimate details the story of the impact of communism on sixteen million people. With the photographic mind of an experienced observer, Dr. Korbel takes the reader close to the scene of daily life in Yugoslavia and makes him see communism in action in transforming the country of "decadent capitalism" into a communist dictatorship, a "people's republic." It is a revealing story of the operations of the institutions and organs of a communist dictatorship, such as the Ministry of Police, the People's Courts, the press, and the radio. In possession of complete knowledge of the conditions existing during his stay, the author describes harsh methods and techniques used by the organs and institutions of the communist government in "persuading" the people to abandon and forget all they have stood for in the past and to embrace Marx and Lenin.

The questions of what happens to the people when they lose their freedom and of how this happens are answered with illuminating details. But, more importantly, whether intentionally or otherwise, the author also answers another question, namely: why has the communist dictatorship succeeded in establishing itself in Yugoslavia?

Between the two world wars, the people of Yugoslavia experienced a great disappointment at the hands of an array of the greedy opportunist politicians who paraded themselves as leaders of the people and were easily accepted as the country's statesmen by the dictatorial regimes of King Alexander and Prince Paul. The internal disunity and distrust among the peoples of Serbia, Croatia, Slovenia, and the other parts, was the most abundant commodity for the politicians to trade with. It is in a country with such a background of disunity and distrust plus the tragic experiences during the second world war that

the "quadrumvirate" of Tito, Kardelj, Djilas, and Rankovich can step in and take over the reins. The author credits the communist success in Yugoslavia principally to these four men.

In evaluating the men of the "Quadrumvirate," the author considers Tito as a man of courage and leadership. Kardelj is estimated to be the most important intellectual and mature figure in Yugoslav communist politics. He formulates the program of the party. Djilas is described as most radical in matters of Marxism and foreign policy, direct and outspoken, "undoubtedly a man of high intelligence." Rankovich "is a somber figure. He speaks very little, is emotionless and enigmatic—a perfect minister of interior in a totalitarian state."

The book supplies the reader with substantial information on what happened, how it happened, and why it happened in Yugoslavia.

DONALD R. PERRY

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SETON-WATSON, HUGH. *The East European Revolution*. Pp. xv, 406. New York: Frederick A. Praeger, 1951. \$5.50.

Following in the footsteps of his distinguished father, Hugh Seton-Watson, author of *Eastern Europe Between the Wars, 1918-1941* (Cambridge University Press, 1946), has now given us the first well-developed historical analysis of the political, economic, social, and cultural evolution in Eastern Europe since 1945.

Basically this very important study is divided into three parts, the first of which deals with historical backgrounds and treats of the social structure of the eastern European countries and the development of the historical political parties and forces during the interwar era. Part II deals with World War II as it affected the countries and peoples of the area: (1) the conquest of Eastern Europe by the Nazis; (2) the 'Axis New Order'; (3) the Axis satellites (Rumania, Bulgaria, and Hungary); (4) the resistance movements, especially in Poland, Yugoslavia, Greece, Albania, and Greece; and (5) great and small allies (Poland, Yugoslavia, and Czechoslovakia). The final section of the work deals with the process of "sovietization" of the countries of Eastern Europe since 1945.

It is probably this section which will prove of greatest interest to the reader, for it deals with the Communist "seizure of power" in Eastern Europe, tracing the processes, with their different nuances, in all the countries concerned. Moreover, the study provides an analysis of economic recovery and planning, of social and religious policy, and of the development of state power through the capture of the state machinery in each of the countries by the various Communist parties. Ample attention is given to the different course pursued in Yugoslavia, where Marshal Tito's partisans were able progressively to take over the government without the dominant assistance of the Red Army. The chapter on Greece (Ch. XII), while it contains a few errors of fact, points to the "Greek exception" to Soviet and Communist control in Eastern Europe and rightly indicates that Communist errors, the resistance of the Greek people, Anglo-American Assistance, and the work of the United Nations in Greece, prevented that country from falling prey to the Communists. Two final chapters highlight the international problems involved in the struggle between East and West. While the overriding issue in Europe as a whole is that of Germany, the great international problems in Eastern Europe, according to the author, are those of Trieste, the Turkish Straits, and Macedonia. By the same token, the "danger-points in Europe," thanks to Soviet policy, are Germany, Scandinavia, Greece, Yugoslavia, and Turkey.

Professor Seton-Watson indicates that all is not well for the U.S.S.R. among its satellites in Eastern Europe, that there is grave discontent behind the Iron Curtain, that there are serious tensions, and that, if the Western Democracies remain militarily strong and use their great resources wisely and constructively to the disproof of the Communist allegations as to "imperialist exploitation" in Asia and Africa as well as in Europe, the struggle with the U.S.S.R. can be won. But the future of Eastern Europe—and of all Europe and of the world at large—in the author's view, depends on "the defensive and offensive power of the West."

It is to be regretted that the author did

not provide a more systematic bibliography in view of the great importance of his subject. Be that as it may, *The East European Revolution* should be read by all who seek a basic knowledge and understanding of the developments which actually led to Soviet-Communist domination of this area. It might well be read as a complement to Hamilton Fish Armstrong's *Tito and Go-liath* (New York: Macmillan, 1951).

HARRY N. HOWARD

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WESTERN CONTINENTAL EUROPE

HOLBORN, HAJO. *The Political Collapse of Europe*. Pp. xi, 212. New York: Alfred A. Knopf, 1951. Library edition \$2.50; text \$1.85.

In this short volume Mr. Holborn attempts historical interpretation rather than a narrative of historical events, condensing the essentials of the events of European international relations since about 1800. He takes as the dividing period the end of the First World War. The purport of the book's general title is not easy to see. "Europe" is geography, whereas policy—clearly the author's object for condensation and analysis—can relate only to specific states—to Germany, Great Britain, and the rest. In the discussion, however, the author readily reduces the generality to concrete issues and to specified governments.

The author is trying to show that "historic Europe" is dead, non-European powers now being the arbiters of Europe's future. There was a "finality of the breakdown of Europe as a political system, balanced within itself" (p. 177). Making history immediately practical, his especial object is to demand more and better historical thinking about the European nations, to support present American foreign policies. The makers of America's policy should never forget Europe's international history. Mr. Holborn believes that the major national interest of the United States is to stave off the danger of western Europe's falling under Russian domination, that that region holds the key

to the containment of the Soviet elsewhere.

The book gives brief glimpses of historic Europe and of the development of the European balance of power. The sketchy discussion of the rise of Russia in the first chapter might have been omitted. The account of the concert of Europe from 1815 to 1850 flounders badly, owing to the failure to utilize many recent research works covering that period. The author is on safer ground for interpretations from Bismarck on. The Iron Chancellor "believed that an autocratic government could hold its own as long as it enjoyed the full support of the old agrarian classes possibly augmented by the assistance of such new antiliberal forces as the industrial workers" (p. 41). This statement is typical of Mr. Holborn's forthright conclusions, whether he speaks of Wilson's idealism, of military and naval strategy, or of Hitler's war. To mention one other illustration of this, "The year 1919 was the high water mark of democracy in world history" (p. 96). The reader who stays with the book to the end will be well rewarded by a fresh and stimulating review of European international relations right down to our own time.

The bibliography intends only to give the general reader some guidance respecting secondary books in the field, references for the period since 1918 being the most helpful.

VERNON J. PURYEAR

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HUMPHREY, RICHARD. *Georges Sorel, Prophet Without Honor: A Study in Anti-Intellectualism*. Pp. 246. Cambridge, Mass.: Harvard University Press, 1951. \$4.00.

It is a comment on the liberality of scholarship that an intellectual should trouble himself with a study in anti-intellectualism. It is also a vast presumption that an historian or social scientist should think that he might be able to grasp the inner meaning of the writings of M. Georges Sorel who thought that the cultivation of man's intellectual faculties resulted merely in creating a greater lever for his prejudices. And yet, we have had an interest in the attempted justification of violence, in the

theory behind the idea of the general strike, and in the supposed advantages of pessimism. Quite naturally we are glad that the author has made this very thorough study of Sorel's thought about society and the dynamics of social life.

As a piece of analysis this volume is excellent. There is restraint in the friendly presentation of M. Sorel's thought. Only in the last and concluding chapter does the author get around to put the pedestal under the subject; he says that Sorel's place is beside Nietzsche and Freud as one of the great prophets of the modern age. The rest of the volume hardly bears this out. Sorel was a moralist who sought for some principle of the organization of society that would withstand the shattering forces now in the hands of men. He never found it. He created no ethical system. He gave no great impetus that has permanently affected the labor movement in the modern world at the points where it is the strongest. His great, all-inspiring principle for vitalizing in a total, or gestalt, manner the class movement—the general strike—seems not to have answered its purpose. The labor movements in a number of Western countries have gone forward, with or without the Marxist doctrine, and without Sorel's pessimism, which, by the way, he claimed was positive in character.

Despite these considerations, it is good to have Sorel's thought clearly set forth for us. We have been largely in the dark about his philosophy. Syndicalism we, in America, have not understood. The power of what Sorel called a "myth" as contrasted with a utopian idea is valuable, for a myth as used here is an active, dynamic force that has grown up around a social institution. It has historical meaning that is worth studying. A "utopia" is more likely to be a dream or hope which may or may not have had social implications.

It is possible that trade unionist effort in Europe has made some progress toward the goal that Sorel held as his ultimate objective—bringing together into working relationship the forces of production and those of government. If so, there is no way to show the connection between this movement and M. Sorel, but we shall readily admit that he has singled out a

principal problem in modern life. That it would never be solved by utopian thinkers or by middle class philanthropy is true, as he said. That Marx had the answer we, with him, will also doubt. But that Sorel could put his finger on a psychological power growing out of the working people themselves great enough to bring a solution within capitalism is also doubtful. His advocacy of violence was merely a technique to this end.

The reviewer wants to commend the author on the mastery of his subject matter and on his style of writing. It is a book worth reading.

W. HENRY COOKE

Claremont Graduate School

DUVERGER, MAURICE, ET AL. *L'Influence des systèmes électoraux sur la vie politique*. Pp. 177. Paris: Librairie Armand Colin (No. 16 in the "Cahiers de la Fondation Nationale des Sciences Politiques"), 1950. No price.

This volume, a collection of papers prepared for the 1950 Zurich meeting of the International Political Science Association, represents a very real contribution to the study of election methods and systems. Professor Duverger, contributor of the principal paper, has outlined a series of intriguing and challenging theses respecting the workings of Proportional Representation (PR), the simple plurality single-member district system, and the run-off ballot. These three election methods are considered especially in terms of the number and character of the political parties normally found in the countries using them and of their reflection of and sensitivity to changing public attitudes.

In developing his findings Professor Duverger has relied primarily on western European experience, with occasional references to South Africa and North America, and his materials will be of especial value since they are presented without the strong partisanship that usually characterizes writing in this field. Valuable also will be the contribution of Professor Duverger and his colleagues with respect to the "second ballot" type of election. Many electoral reformers, especially on the continent, have presumed that the "second ballot" was a

happy path to a two-party system which still could preserve all the nuances of a multi-party system. This study indicates the fallacy of relying upon a "second ballot" to produce more than temporary election-day alliances. The data considered with respect to the dominance of the *parteibonzen* under PR systems is not new and might have well been extended to cover Great Britain and its single-member district plurality election system, but the material on the sensitivity of various systems to changing public opinion is developed with especially interesting lines of approach.

In addition to the contribution of Professor Duverger, this volume includes shorter articles by Messrs. Goguel, Soulier, Vlachos, Cadart, Mastellone, and de Loÿs covering, respectively, the electoral methods of France, Weimar Germany, the United States, Great Britain, Italy, and Switzerland. While all six are well-done evaluations, the contributions on Germany, Great Britain, and the United States will offer little that is new to students in this country; the Italian and Swiss chapters have the greater value in outlining details and views not so familiar. M. Goguel's excellent section on France is all too short, but since Professor Duverger naturally draws heavily on the wide variety of French experience himself, the over-all result is very satisfying. Aided in its presentation by some fifteen charts and tables, this volume is useful for anyone in the field of government and politics and a "must" for those concerned with election systems and their functioning.

RICHARD M. SCAMMON

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MORGENTHAU, HANS J. (Ed.). *Germany and the Future of Europe*. Pp. viii, 180. Chicago: University of Chicago Press, 1951. \$3.50.

This book comprises the lectures delivered at the twenty-sixth institute of the Norman Wait Harris Foundation at the University of Chicago in the late spring of 1950 by fourteen men, nine of whom are university professors, four officials of the Department of State, and one an author.

The able editor of the volume, Dr. Hans J. Morgenthau, states in his preface that these scholars explore the German problem in its social, economic, constitutional, and political ramifications, clarify the fundamental problems, penetrate the emotional fog, develop the feasible alternative solutions, and try to detect the trends which point toward future developments. Among the problems presented are: Germany and Western civilization; Germany and world peace, families today, the new crisis strata, the principal economic and political problems including the labor movement and the anti-democratic popular movements, the governments of western and eastern Germany, and a concluding lecture entitled "Germany and Europe: Battleground, Bastion or Buffer."

Let us look at these learned explorers as they march through five years of fog to the core of the problems and report samplings of their findings. Niebuhr leads off with the observation that it would be wrong to hold Germany responsible for all our ills, then considers the Fascist revolt as more perverse than the Communist one, and concludes that the resolution of the whole conflict with the Russians is impossible. Howard Becker's dynamic lecture on the German families takes us into a fog of generalizations on class, status, diversified patterns, and "uncommonly tight diapers" of the Russians. Sigmund Neumann, Calvin Hoover, Hans Morgenthau, and Daniel Margolies make brilliant contributions to the study of the realities of political and economic power in Europe generally and Germany specifically.

Three speakers assert that the German economic problem is the same as the European economic problem, namely, how to widen the European market rapidly, to sell enough goods and services on the international market to pay for the essential food-stuffs, and to buy raw materials which Germany must import. None of these men stresses the remarkable survival of German inventiveness and imaginative genius.

Hans Simons and Otto Kirchheimer present two excellent analyses of the Bonn government and the eastern German government. True, Dr. Simons becomes slightly confused in discussing federalism and "par-

liamentary control within the Länder"; but then this Bonn constitution is a "conservative governmental setup" and entirely old-fashioned, yet strong and fitting "our present pattern." East Germany is, on the other hand, a completely manipulated society needing a huge bureaucracy and saddled with a Socialist Unity party, which the population identifies with Russian looting, raping, and dismantling in East Germany in 1945.

There is a vast amount of repetition in these lectures and considerable deviation from the assigned central theme, especially in the consideration of the noneconomic factors which have been strategic in the European problem during the last five years. The genetic approach to the problem is rejected in favor of presentism and a highly personalized subjective treatment of contemporary Germany. Thus, certain professors and bureaucrats accept without question the Soviet definition of fascism and apply it to Nazism. Again there are many striking formulations involving opinions of the writers. Professor Almond approves the attempt of the Social Democratic party to avoid the mistakes it made in the Weimar Republic and to function as an opposition party, while Professor Neumann asserts that it is "a democratic labor party and nothing else." Dr. Hans Simons, President of the New School for Social Research, predicts that all the "participating parties" in West Germany will be discredited—"and that goes for the Social Democrats." Dr. Marcuse of the State Department observes that the present Bonn government is "certainly not in harmony with the objective conditions," and that if the present German society were freed of occupation and cold war, the Social Democratic party would lose its "working-class approach." Professor Heller cannot understand why a Labor government and a Fair Deal administration "should foster such orthodoxy abroad."

All of these lectures have literary and scholarly qualities and some are definitely superior, but they are not going to carry much weight as history. To be sure, the pack of political scientists chase Clio all over the place, only to see her escape in the last chapter from the battleground,

bastion, or buffer with a good and honored minor prophet.

RALPH HASWELL LUTZ

Stanford University

REICHMANN, EVA G. *Hostages of Civilization: The Social Sources of National Socialist Anti-Semitism*. Pp. 281. Boston: The Beacon Press, 1951. \$3.00.

The author applies herself to the German-Jewish problem which has baffled numerous students in recent years. Apparently integrated in German society, the Jews nonetheless became the victims of methodical brutality rarely if ever equalled in the history of persecution. This has led some writers to despair of "Emancipation," that is, the acceptance and integration of Jews into Gentile society, as a failure. Miss Reichmann's book is an elaborate effort to prove that such a conclusion is unwarranted.

The argument may be summarized in a few sentences. Two factors are distinguished in the Jewish question: namely, the "genuine" or "objective" difficulties which arise from the lack of integration of a minority and the consequent demand for group homogeneity, and the "subjective" or "sham" causes issuing from the need of the majority for self-assertion and aggressiveness. The author maintains that social divergence between Jews and Gentiles had diminished markedly as integration reached an advanced stage. However, discontents from causes unrelated to the Jews had increased among the German majority, and mass frustration had generated an inner need for aggression. The rapid transformations of the nineteenth century and the strains of a competitive society created tensions, especially among the newly enfranchised masses, which resulted in social and moral disintegration. And this process, the author is certain, affected Germany more than other Western countries. The calamities which the defeat in the first World War brought in its train loosened further the brakes on primitive passions, and the compulsions to hate, dominate, and abuse became irresistible. The Germans yearned for an enemy—real or imaginary.

That the Jews became the "enemy" was due primarily to the need for an "anti-symbol" and to the recklessness of political leaders rather than to real tensions between Jews and Gentiles. The author asserts that the effects of anti-Semitism prior to the first World War were limited, and she argues that the German masses who professed anti-Semitism under Nazi stimulation approved "a limitation of Jewish influence" rather than expulsion or annihilation. She finally concludes "that the actual relations between Jews and Gentiles were but slightly responsible for anti-Semitism, that anti-Semitism was only partially responsible for Nazism, and that anti-Semitism, as it came to be embodied in the Nazi movement, does not account for the catastrophe of the Jews."

Thus, since Jewish-German relations did not break down from intrinsic deficiencies, Jewish "Emancipation" was not a failure. Furthermore, while disclaiming the gift of prophesy, the author is certain that the German example "*need* not be repeated" elsewhere; "nay, that its repetition is improbable."

That anti-Semitism is largely subjective, that its vogue is conditioned by social, economic, and psychological crises, and that the Nazis utilized the Jews as a scapegoat has been said before, and in less involved a manner. The dissection of anti-Semitism into "objective" and "subjective" factors is sound enough, but the attempt to draw optimistic conclusions from the fact that "sham" motives played a primary role in the great Jewish catastrophe appears rather specious.

The book contains illuminating comments on German political and social development, good summaries of the views of numerous anti-Semites, and astute observations, such as the paragraph on page 193, which depicts the psychological satisfactions afforded the masses by the Nazis. However, the elaborate sociopsychological apparatus employed is rather formidable, and the tendency to generalize from inadequate or inconclusive evidence is too often unrestrained. We are assured, for example, that the rapid advance of German thought "led to a quicker disintegration of Christianity than took place in other European

countries" (p. 127); that "the German Catholics, particularly the older generation, . . . showed on the average a stronger resistance to Nazism and anti-Semitism" (p. 129); that "there were always more and stronger disintegrating factors in Germany than in most other countries, and the communal feeling was younger and weaker" (p. 151); that capitalism had never succeeded in making itself popular, "and in Germany less than elsewhere" (p. 173); that "in few other countries is the national consciousness as immature as it is in Germany" (p. 241); that "the maintenance and consolidation of feudal power in Prussia was indeed the essence of what was most 'Eastern' in the German tension between East and West" (p. 147).

The most serious failing of the book is its inadequate analysis of the theory and fact of Jewish "Emancipation." We are told that the way of life of the German Jews combined "identification with their environment with the will to remain Jews and to retain the values of Judaism." But the grounding of this assertion in detailed fact is wanting. One would like to know what "values of Judaism" were retained, which specific institutions continued to function, and to what extent these institutions perpetuated group life among the Jews. Similarly, "identification with the environment" should be specified and distinguished from total assimilation, which involves the disintegration and disappearance of the group.

The acceptance of the Jews by the German majority likewise requires elucidation. Did the majority regard integration in terms of the ultimate abandonment of an identifiable Jewish group? Or, was there an understanding that "Emancipation" would involve the preservation of group integrity, and consequently entail some form of cultural pluralism or cultural supplementation? The author's apparent readiness to have the Jews (even those who "are hardly aware any longer of belonging to the Jewish group") keep one eye cocked on the desires of the majority, and to be reconciled to impose certain restrictions upon themselves beyond those imposed on other citizens, reveals a limited conception of equality. Until these

fundamental questions are faced and resolved on the basis of sound fact, the definitive study of the Jewish-German catastrophe will remain unwritten.

OSCAR I. JANOWSKY

The City College of New York

TIRRELL, SARAH REBECCA. *German Agrarian Politics After Bismarck's Fall: The Formation of the Farmers' League*. Pp. 354. New York: Columbia University Press, 1951. \$4.50.

"How much pleasanter and easier it was in the world of politics when England, France and Russia constituted the tribunal of Europe and at most Austria had to be occasionally consulted." Thus complained Sir Clare Ford, English Ambassador in Rome in the mid-1890's, to Bernhard von Bülow, his German counterpart.

Partial background for the Englishman's comment is furnished in this deftly constructed and ably executed book. Emphasis is centered upon the efforts of the German titled and bourgeois holders of great and lesser estates, owners of family farms, managers, tenant farmers, and farm laborers, in their fruitless struggle against the "new course" of officially sponsored industrialization and quest for new markets in Europe and abroad. The story unfolds the transition from a predominantly grain, cattle, and dairy menage prior to the 1870's, to an ever-growing industrial and commercial economy, dwarfing agriculture, depressing agricultural prices, and forcing farm labor into factories and workshops. It depicts the transformation of Germany from a grain exporting to a grain importing country, a changing tariff policy favoring industry and trade to the detriment of agriculture, and the creation of the Farmers' League, dedicated to the united agricultural interests' war upon the supporters of the "new course."

The book concludes with the events of the late 1890's, when the London *Saturday Review*, voicing England's fear and wrath, called for war upon German imperialism and the destruction of Germany. By the irony of fate, just then, the German geographer Ratzel published his *Politische Geographie* in which he expounds the "seven laws of the growth of the state,"

as a rationalization of expansionism in general and of German expansionism in particular. It is on the background of this setting that the final events related find their momentous portent. Among the most significant are the reaffirmation of the Triple Alliance of Germany, Austria, and Italy; its transformation, by way of bilateral trade treaties, into an "economic union," and the adhesion of Rumania and other Balkan states, enlarging the "economic union" along the "middle Europe" idea.

Defeat in World War I ended Imperial Germany's economic expansionism, and World War II shattered Hitler's integrated economy of central Europe. One can agree with the author that "part of the unsettled situation of Europe and elsewhere today may well be ascribed to the forced industrialization of Russia," and that the situation "makes adjustments in international trade relations immediately necessary." If only Russia's ideological conditioning did not render her international agreements mere scraps of paper!

JOHANNES MATTERN

Johns Hopkins University

WEIZSÄCKER, ERNST VON. *Memoirs of Ernst von Weizsäcker*. Translated by John Andrews. Pp. 322. Chicago: Henry Regnery Company, 1951. \$3.75.

After twenty years as an officer in the German Navy, Baron Ernst von Weizsäcker entered the Foreign Office in 1920. Following service in various consular and diplomatic posts at Basle, Copenhagen, Geneva, Oslo, and Berne, he was made State Secretary shortly after Neurath's dismissal and Ribbentrop's appointment as Foreign Minister in early 1938. He served the Nazi government during the Sudeten, Munich, Czech, and German-Polish crises and throughout World War II. From 1943 to 1945 he was German ambassador to the Vatican, where he received sanctuary immediately after the war. In 1949 he was condemned to seven years' imprisonment by an American Military tribunal at Nuremberg for complicity in crimes of the Nazi regime.

Von Weizsäcker's memoirs are, in effect, a brief for his defense as well as an

apologia pro vita sua. There is little doubt that he was strongly opposed to the bizarre foreign policy of the Hitler-Ribbentrop combination. In two other recent publications, both the ambassador, Herbert von Dirksen, in his *Moskau, Tokio, Berlin* (1949), and the foreign affairs officer, Erich Kordt, in his *Nicht aus den Äkfen* (1951), substantiate von Weizsäcker's claim that he was a member of the "opposition" in the Foreign Office. Throughout his book, von Weizsäcker repeats the theme: "I did not attempt to leave the danger-spot but tried to stick it out and fight. My goal was peace—peace for my country and for the world I lived in" (pp. 310–311).

Von Weizsäcker was either a hero or a fool, perhaps both. The fact remains that he became a member of the NSDAP (National Socialist German Workers' Party) "for decorative reasons," and accepted honorary rank in the notorious S.S. (special guards). In extenuation, he writes that "I would still be prepared even today, to put on the black SS jacket, or, if you will, a red or green jacket, if this would help me to accomplish my political aim of preserving peace" (p. 125). In his relations with the emotional hypomaniac, Hitler, and the insufferable, fawning yes-man, Ribbentrop, it became crystal clear to von Weizsäcker that these men were determined to make war. Again and again he threatened to resign and asked to be allowed to return to the Navy, but he never threw up his hands in disgust and abandoned his professedly hopeless cause. After the invasion of Russia in 1941, he "fell into a sort of political paralysis, for politics was something which no longer existed" (p. 257), but he, nevertheless, continued to serve Hitler. It is precisely here that his guilt becomes obvious.

These memoirs once again show how difficult it is to reconcile the German mentality with that of the Western democracies, as witness these conclusions. Von Weizsäcker denies the existence of German militarism in the pre-World War I period. "It was taken for granted that it was our task to preserve the heritage of Bismarck undiminished, but no more" (pp. 20–21). World War I was due to "Poincaré's de-

sire for revenge, Grey's *dolus eventualis*" as well as the ineptitude of German foreign policy (p. 22). The Kaiser preferred the Navy "due perhaps to English blood in his veins" (p. 23). Jutland was a "victory" for the Germans (p. 33). "The end of the German fleet at Scapa was by no means inglorious" (p. 43). In the Sudeten crisis, it was the "unpardonable errors," and "unfortunate provocations" of the foreign press that set Hitler going (pp. 135–136). "Those responsible for the direction of the war in England rendered Hitler useful assistance; on the day before the German landing they laid a minefield in Norwegian waters and publicly announced that they had done so. It was . . . an additional excuse for Hitler's invasion" (p. 229). "Under the short, sharp storm of the German offensive—sweeping across each country—these beautiful countries [Holland, Belgium, France, Greece, and Yugoslavia] had suffered less than they would have in a long-drawn out war" (p. 258). There is adequate room for argument on the *Weltanschauung* revealed in these and other points.

This book, the latest in a series of memoirs coming out of Germany, indicates once again the bankruptcy of the culture-power synthesis implicit in the historicism of Friedrich Meinecke. Von Weizsäcker, the well-meaning, cultured aristocrat, wanted Germany to be a powerful culture-state, but he showed clumsy discrimination in how to achieve it. Any support, direct or indirect, of the Nazi conception of power in the belief that it was a necessary evil, has little to excuse it on either ethical or practical grounds. It is patently futile to coax a rattlesnake.

LOUIS L. SNYDER

The City College of New York

MACARDLE, DOROTHY. *Children of Europe*. Pp. 349. Boston: The Beacon Press, 1951. \$3.75.

This book deals with one of the costs of war, specifically with the effects of World War II on the children of Europe. Not that it is a complete story of these costs. "It is too early yet to say" according to experts who have worked with these children. It is rather an interim report sum-

marizing certain facts for the first few years after the cessation of hostilities in Europe. No date is given as the dividing line, but few of the citations included show a date later than 1948. This is, of course, unfortunate for a book published in 1951. On the other hand, the book does have the merit of dealing comprehensively with the situation during the war years and particularly during the period 1945-1948.

The volume is divided into three parts. Part I is devoted to wartime conditions, with special reference to children. There are chapters on how the Nazis "created a Nazi," on Czechoslovakia, Poland, Greece, and Yugoslavia, and on the Jews, all depicting wartime conditions under Nazi domination. Part II summarizes the facts for Norway and the West, including chapters on Denmark, Holland, Belgium, Luxembourg, and France. Part III, which is the largest part of the volume, deals with conditions after liberation. There are special chapters on Italy, Austria, the casualties, lost children, the Nazi camps, the troubles of young Jews, the minds of the children, homes for children, children in postwar Germany, and the campaigns which have been organized to meet the problems of these children. There is no discussion either of children in the Soviet Union or of Germany during the war.

All of this constitutes a grim and sorry story of millions of young persons who have survived but whose sufferings and problems are far from over. The book is written with a quiet fervor that is both moving and revealing.

JAMES H. S. BOSSARD

University of Pennsylvania

BERGGRAV, EIVIND. *Man and State*. Translated from the Norwegian by George Aus. Pp. xii, 319. Philadelphia: Muhlenberg Press, 1951. \$4.00.

This volume was written by the Bishop of Oslo, Primate of the Church of Norway, in his two years of solitary confinement during the occupation of Norway by the Nazis. The manuscript was smuggled out in 1944 and published in Norwegian in 1945. It has been translated by Professor George Aus of Luther Theological Seminary, Minneapolis. Behind the bars the

Bishop wrote this searching inquiry into the relations between man and the state. It might well be entitled "The Bishop's Reply to Quisling," but in a broader sense it is a constructive view of modern democracy.

This is a mature volume, well worth careful reading—not alone because of its dramatic prison background but also because of its intrinsic merits, based upon practical experience and upon long reflection. The author deals with the general philosophy of authority but also with specific suggestions for improvement of present difficulties. He points out that the political sovereignty of the state must be countered by moral authority outside the law. This does not weaken but really strengthens the state within its appropriate limits. The most complete formal organization of political power, legally irresistible, means little in the long run, he holds, if not rooted in the convictions of the country and in loyalty to truth and justice, which brings life to the society.

The Bishop reasons that the state is sovereign. This leads to a broad and deep survey of the whole problem of obedience, civil and religious, including a commentary on Luther's position. The unique quality, he says, of the "holy" is that it is sovereign; there is no appeal beyond it (page 297). The law is holy; God is holy. The Church must submit to the law but not to every "seeming formulation of the law." At times it is duty to be disobedient (page 307). Inevitably, under the circumstances under which the Bishop wrote, he must certainly have considered the nature and extent of obedience to the political powers that be.

The state has always been up against a stone wall when it has attacked those spiritual forces which lie outside its jurisdiction. Machiavellianism and totalitarianism of right or left, are hopelessly inadequate to deal with modern problems of freedom and progress, either of the community or of the individual person.

The second part of the book deals with "structure and implementation." Here the writer is concerned with "the inner structure of a democratic state," including the division of power, the roles of political

parties and of the administrative service, freedom of conviction, the individual and economics, and local guarantees.

This is a volume well worth careful reading by students of our American democracy. Written in confinement, it is full of the life and fire of freedom.

CHARLES E. MERRIAM

University of Chicago

OTHERS

PURCELL, VICTOR. *The Chinese in Southeast Asia*. Pp. xxxvii, 801. London: Geoffrey Cumberlege (distributed in U. S. by Oxford University Press), 1951. \$11.50.

This very comprehensive volume is the result of extensive research and long first-hand experience. Before the war Dr. Purcell spent 25 years in Southeast Asia and China and was brought into intimate contact with the Chinese through his work as a British colonial official. Since the war he has made two extensive journeys in southern and eastern Asia. He has what he describes as a "working knowledge" of ten languages, including three dialects of Chinese. The result is an authoritative and exhaustive account of Chinese trade and settlement overseas, written in an interesting and readable style.

Separate sections are allotted to Burma, Siam, Indochina, Malaya, British Borneo, Indonesia, and the Philippines, and the conclusion describes the situation as the author found it on his last visit in 1950. Each section begins with a statistical chapter on the number of the Chinese, their percentage in the country's population, their rate of increase, and the attitude toward them of the native inhabitants. This is followed by chapters on the history of Chinese trade and settlement from the earliest times to the present; their social, economic and educational activities; and their present situation. There are a good bibliography, maps, and an index.

In general there is a marked similarity between the histories of the Chinese in the various countries. Occasional contacts began before the beginning of the Christian

era; but, apart from the conquest of northern Viet-Nam, military expeditions were rare and had no lasting effects. Trade and settlement have been continuous for at least seven hundred years; but emigration on a considerable scale did not begin until the later nineteenth century. Until about thirty years ago the emigrants were overwhelmingly males, and they married women of the country. By the third generation their descendants had been absorbed into the general population. Since about World War I, however, female emigration has notably increased and intermarriage with the women of Southeast Asia has proportionately decreased. This has coincided with the development of Chinese and Southeast Asian nationalisms. The general result has been to accentuate the longstanding dislike of the Chinese by peoples and governments in every country except Burma.

The fundamental reason for their unpopularity is that they are infinitely better business men than the predominantly peasant populations whom they simultaneously benefit and exploit. They fulfill an essential function as retailers, produce buyers, and providers of credit. In return the Chinese make money—and attract the hostility which always attends the unassimilated alien who has drawn to himself what is popularly considered to be an undue proportion of the wealth of the country. In earlier centuries the governments sometimes tried to solve their problem by the simple and direct method of massacre. In the twentieth century—and especially in the independent countries like Thailand and the Philippines—there is discriminatory legislation. The Chinese seem to be invulnerable to either technique: they continue to fill an essential role that no one else is competent to take over, and to recoup themselves handsomely as they have always done. Southeast Asia cannot live happily with the Chinese, and it cannot live without them.

LENNOX A. MILLS

University of Minnesota

BOXER, C. R. *The Christian Century in Japan 1549-1650*. Pp. xv, 535. Berkeley: University of California Press, 1951. \$7.50.

From the standpoint of cultural history, religion, and sociology, the subject with which this scholarly study deals is fascinating. In 1549 Christianity was introduced to Japan by one of the ablest and most zealous missionaries of all time, Francis Xavier. He was followed by other Jesuits, who, as did he, operated under Portuguese auspices and in connection with Portuguese trade. The Christian community grew rapidly, for a variety of reasons—partly religious, partly from a desire to share in the profitable Portuguese commerce, and partly from the traditional Japanese inclination to learn from other civilizations. Soon the scene was complicated by rivalries, sometimes bitter, between the Jesuits and the Franciscans and the Dominicans, who came via Manila.

By 1614 there were about 300,000 Christians in Japan, largely in the southern portions of the country. Then came persecution, partly from the fear that the missionaries and their converts might be the precursors to Spanish or Portuguese invasions. When the Christians refused to renounce their faith at the command of the Japanese authorities and missionaries persisted in defying the government and remaining in the country or smuggling themselves in, the Tokugawa shoguns closed the land to Spanish and Portuguese trade and entered upon the policy of seclusion which they were to maintain until the coming of Perry.

In spite of persecution, Christian communities numbering several thousand persisted, secretly continuing baptism and prayers. Their descendants, thousands of them still Christians, are with us today.

It is this story that Professor Boxer has told. He has read much of the literature and source materials printed in both Western languages and Japanese. He writes in thoroughly readable style and with as much objectivity as is given to most of us to observe. The book is the best comprehensive account which we have. The author has brought in almost no information which is not already familiar to specialists, and his insights, usually sound, into the causes of growth and persecutions and into the reasons for the persistence of Christianity are by no means novel, but it is valuable to

have the entire story put together and in such excellent form.

KENNETH SCOTT LATOURETTE
Yale University

LETTERS TO THE EDITOR

Dear Sir:

In a somewhat sweepingly unfavorable review (*THE ANNALS*, May 1951, p. 191) Dr. Paul M. Sweezy has made a number of statements concerning my *Capitalism* (McGraw-Hill, 1951) which seem to call for comment. I shall skip his general appraisals and confine myself to the various errors which he attributes to me—treating them in the order in which he brings them up.

Dr. Sweezy first says (p. 191) that I use the argument that *personal* conflict is inevitable to refute the idea that Marxian socialism will abolish *class* conflict. I refer the reader to pages 9, and following, of my text in which I challenge his analysis both for personal and class conflict.

Sweezy next says (p. 191) "Marxists do not claim that socialism eliminates all conflict; in fact they believe that some kinds of conflict are essential to progress. What Marxists do claim is that socialism eliminates . . . class conflict."

Concerning this point two observations may be made: First of all the term "Marxists" covers such a wide variety of points of view that a careful student is hard put to it to find any question concerning which there is a single, homogeneous "Marxist" position. In the second place, if *some* forms of conflict are going to survive; how can Marx and Engels say, as they do in the *Communist Manifesto* that "the free development of each will become the free development of all"? Doubtless there may be some semantic manipulation to cover this case (there always is). But, if the *Manifesto* is to be taken to mean what it says, Dr. Sweezy appears to be involved in a considerable dilemma.

Speaking of semantics, however, there is of course one argument by which Dr. Sweezy's claims can be rendered quite literally true. First define "class" in purely capitalist terms. Next abolish capitalism:

Obviously by *definition* you have abolished class. But this is mere "double-speak." I refer my readers to my "Economics of a Classless Society," *American Economic Review*, May 1949, which was approved by the late Professor Schumpeter.

Dr. Sweezy next says (p. 192) that "Soviet socialism has been" giving "a smoothly expanding economy with a high degree of social security and rising living standards for all" (*italics added*)—"for four Five Year Plans," and says that I "duck" this obvious fact "altogether." May I point out that I "duck" it by devoting two pages to it (pp. 99-100). It hardly seems worth while to remind Dr. Sweezy, in addition to arguments in my text, of the inflations, famines, prisons, and deaths which have accompanied his "smooth" expansion.

Next Dr. Sweezy says that I quote "approvingly" Dr. Clare Griffin's statements that "before 1939 Britain's rate of progress in *man-hour* productivity (*italics added*) was only about 1.3 per cent and has been about zero since then." What I actually said (p. 137) was that Dr. Griffin had criticized me for being *too generous* in my allowance in my text. But Sweezy endeavors to pin responsibility for Griffin's statistics upon me.

Clearly my text warrants no such procedure. However, as to the facts, Dr. Griffin has written me that the new edition (1951) of Colin Clark's *Conditions of Economic Progress*, Chapter III, gives the following figures for *man-hour* productivity in Britain:

1939	.58
1940	.57
1941	.57
1942	.56
1943	.58
1944	.61
1945	.62
1946	.58
1947	.59

Sweezy also makes certain comments regarding the Tories. These do not touch any arguments of mine. I was careful to point out that I did not regard the Tory economy as a capitalist one (pp. 198, 201).

Sweezy's references to "productivity" figures represent another semantic manipula-

tion. *Productivity* and *man-hour productivity* are clearly two different things. Any rise in *production* actually occurring may be the result of a larger labor force or of other factors. It will also partly be the result (as Dr. Sweezy does *not* point out) of American (capitalist) aid and also of the American (capitalist) help in the Anglo-American Productivity Commission.

DAVID MCCORD WRIGHT

University of Virginia

Dear Sir:

I have reread pages 9 and following of Professor Wright's book, and I can find no reason to change the views expressed in my review. On page 9 he says that "the myth which Marx taught and Lenin elaborated" is that "*all*, or virtually all, economic (and social) conflict stems from the struggle of 'bourgeois' (those who live on incomes from property) and 'proletarians' (those who live on wages)." This is a caricature of Marxian theory, and any "refutation" of it is bound to be worthless.

Professor Wright's discovery that "the term 'Marxists' covers such a wide variety of points of view that a careful student is hard put to it to find any question concerning which there is a single, homogeneous 'Marxist' position" comes rather late in the day. Offhand, I can think of no book that is more liberal—and inaccurate—in attributing views to "Marxists," with no qualifications added.

Marx and Engels did *not* say that "the free development of each will become the free development of all," a meaningless misquotation which occurs a number of times in the book as well as in the letter. What they *did* say is: "In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association, in which the free development of each *is the condition for* the free development of all." (Last sentence of Section II of the *Manifesto*—*italics added*.) Why this characterization of socialism should be interpreted as excluding all forms of conflict, I do not understand. The dilemma is Professor Wright's, not mine.

Professor Wright says that pages 99 and 100 of his book are devoted to the per-

formance of the Soviet socialist economy. The only evidence I can find in support of this statement is a footnote which says that "the existing, or rather the available, Russian statistics do not, I believe, furnish a reliable basis for comparison [with capitalism]" (p. 99). If this is not ducking the problem, I do not know what would be.

I am aware of the "inflations, famines, prisons, and deaths" which have been a part of Russian history in the years since World War I. I am also aware of counter-revolutions, civil wars, and foreign invasions. The remarkable thing is that, despite these extremely difficult conditions, socialist planning in the Union of Soviet Socialist Republics has achieved economic successes which in many respects are unique in world history and which are now firing the imagination of the backward peoples who make up some four-fifths of the human race. Any discussion of capitalism today which leaves all this out, as Professor Wright's does, is bound to be unhistorical and misleading.

I am sorry if I concluded from Professor Wright's use of Griffin's statistics that he was assuming responsibility for them, in the sense that he was citing them in support of his own position. I think the conclusion was a reasonable one, but it could have been omitted without in any way affecting my argument. The point is that Professor Wright works hard to give the impression that Britain under the Labor Government has been economically stagnant. This is not so. As I pointed out in my review, semisocialist Britain has a much better economic record than the neighboring capitalist countries of Europe. Both, of course, have benefited from American assistance.

I am not so naïve as to confuse "production" with "productivity," as Professor Wright could verify by looking into the official British statistics. The productivity figures I cited were derived by dividing the index of output by the index of employment. This, I think, is normal statistical procedure and can hardly be accurately described as "semantic manipulation."

PAUL M. SWEETZ

Wilton, New Hampshire

Dear Sir:

Most of Dr. Sweezy's comments in his reply seem to me already taken care of in my initial communication to *THE ANNALS*. I cannot see that the words in the *Manifesto*, which he italicizes, change the essential point. Either way you word it the position stated in the sentence is nonsense. Ruling out semantics, and speaking literally, there cannot be a society in this world in which the "free development of each is the condition for the free development of all." Nor does Dr. Sweezy point out that my footnote regarding Russia is at the bottom of a two-page discussion of my "imperial age" analysis precisely directed toward the Russian case. Rather than prolong the discussion inordinately, I must refer the reader on this and other points to my text itself.

One thing, however, does, I think, deserve specific statement. Dr. Sweezy charges me with a "rather late" discovery that there are many different kinds of Marxists and with a vague, unqualified use of the word. Let me on this point quote from footnote two, page four, of the text of my *Capitalism* itself:

"There are as many different kinds of Marxists as there are Keynesians. Marx himself once declared in disgust, 'Je ne suis pas Marxiste.' We shall not try to deal with all the subtle shadings of the literature but shall instead concentrate upon the Marx-Lenin-Stalin tradition, which may be called 'orthodox' Marxism. The two books most relied upon are the *Communist Manifesto* and Lenin's *State and Revolution*."

So much for my belated discovery and unqualified usage!

DAVID MCCORD WRIGHT

University of Virginia

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In accordance with the By-laws of the Academy, the Annual Business Meeting of the members will be held on Monday, January 28, 1952, at 3 P.M., at the offices of the Academy, 3817 Spruce Street, Philadelphia.

The Annual Report of the Board of Directors will be presented, three directors elected, and other business transacted.

ERNEST MINOR PATTERSON

President

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